Supreme Court, U.S.
FILED
MAY 29 1971
E. ROBERT SEAVER, CLERK

IN THE

Supreme Court of the United States

October Term, 1970

No. ~~1765~~ 70-222

COMPUTER SEARCHING SERVICE CORPORATION,

Petitioner,

against

HONORABLE SYLVESTER J. RYAN, United States District Judge for the Southern District of New York,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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COMPUTER SEARCHING SERVICE CORPORATION,

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against

HONORABLE SYLVESTER J. RYAN, United States District Judge for the Southern District of New York,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

To the Honororable, *The Chief Justice and Associate Justices of the Supreme Court of the United States*:

Petitioner, Computer Searching Service Corporation, respectfully prays that a Writ of Certiorari issue to review the order of the United States Court of Appeals for the Second Circuit, entered in the above entitled proceeding on March 2nd, 1971, denying the petition of Computer Searching Service Corporation for a Writ of Mandamus to the Honorable Sylvester J. Ryan, United States District Judge for the Southern District of New York, and the order of said Court of Appeals denying the petition for a rehearing, entered on March 26th, 1971, which denied petitioner its constitutional right to trial by jury.

Opinions of the Courts Below

The opinion of the Court of Appeals is reported in 439 F. 2d 6. It is printed in Appendix "B", hereto, *infra*, p. 29. The Court of Appeals did not file an opinion denying the petition for a rehearing. The opinion of the District Court for the Southern District of New York has not been officially reported. It is printed in Appendix "B", hereto, *infra*, p. 26.

Jurisdiction

The order of the Court of Appeals was entered on March 2nd, 1971. The orders denying the petition for a rehearing were entered on March 26th, 1971 [Appendix "B", *infra*, p. 36]. The jurisdiction of this Court is invoked under Title 28 U. S. C., §1254(1).

Questions Presented

1. Where in an action brought pursuant to the Copyright Law, together with a claim for unfair competition under the Lanham Act, the complaint seeks, in addition to an injunction against continuing infringement and unfair competition, money damages sustained as a result of the alleged acts of infringement and unfair competition, may a Federal Court deprive a newly added defendant of a timely-demanded consfitutional right to jury trial as to the legal issues for money damages, where plaintiff's right to the money damages and to the injunction involves a determination of the identical questions of fact?

2. Where both legal and equitable issues are presented in a single case and involve the determination of the identical questions of fact, may a Federal Court deprive a de-

fendant of a timely-demanded constitutional right to jury trial by determining that the issues are clearly equitable only, if the plaintiff thereafter amends its complaint to eliminate its claim for money damages?

3. May a plaintiff as a result of its own "inadvertent error" amend its complaint on the eve of trial in an attempt to change the issues from legal to equitable solely for the purpose of depriving a defendant of its constitutional right to trial by jury?

4. Where a complaint seeks both legal and equitable relief, can a plaintiff deprive a defendant of its timely-demanded constitutional right to trial by jury solely by dropping its claim for legal relief, although the factual issues to be determined remain the same, where the only purpose of dropping such claim for legal relief is to deprive the defendant of its constitutional right to trial by jury?

Constitutional Provision Involved

U. S. Constitution Amendment VII—Civil Trials:

> "In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law."

Statutory Provisions Involved

The pertinent statutory provisions are printed in Appendix "A", *infra*, p. 25.

Statement of the Case

This action was commenced in the United States District Court for the Southern District of New York, on June 17th, 1966 by the West Publishing Company.[1]

A.

Jurisdiction

The jurisdiction of the District Court was founded under the Copyright Act of 1909, as amended, 17 U. S. C., §1, *et seq.* and related claims of unfair competition and under §43 of the Lanham Act, 15 U. S. C., §1121. Jurisdiction was conferred on the District Court by 17 U. S. C. §112, 28 U. S. C., §1338 and 15 U. S. C., §1121. Jurisdiction of the District Court was also founded on diversity of citizenship of the parties, *and on an amount in controversy exceeding the sum of $10,000.00.*

B.

Facts Occurring Prior to the Adding of CSSC as an Additional Defendant

On June 17th, 1966 West [2] commenced the District Court action against LRS [3] alleging that LRS infringed numer-

[1] The plaintiff in this case is the West Publishing Company, who is the real party in interest and herein called "West". The action was originally commenced against the defendants, Law Research Service, Inc., Ellias C. Hoppenfeld and Paul Weiner herein collectively referred to as "LRS". The petitioner, Computer Searching Service Corporation, herein referred to as "CSSC" was brought in as a party defendant by service of the second amended and supplemental complaint upon it on August 21st, 1970, pursuant to the order of the District Court, dated August 3rd, 1970, which granted West leave to add CSSC as a defendant in the action.

[2] West is by far the largest publisher of court opinions, statutes, legal digests and legal texts in the United States.

[3] LRS was the pioneer in the commercial use of a legal retrieval system utilizing computers.

ous of West's copyrights and committed acts of unfair competition in connection with an alleged computerized legal research service that LRS sold, and sought an injunction, statutory damages under the Copyright Law of the United States, and $10,000,000.00 in exemplary and punitive damages. On December 27th, 1968 West filed a note of issue placing this action on the non-jury calendar of the District Court, none of the original parties having demanded trial by jury. The pre-trial order was entered in the District Court on February 2nd, 1970. CSSC was not a party to the action at the time of the making of the pre-trial order.

On July 2nd, 1970 West moved the District Court for leave to serve and file a second amended and supplemental complaint and add CSSC as a defendant, which motion was granted by order of the District Court on August 3rd, 1970.

C.

West's Second Amended and Supplemental Complaint

On August 11th, 1970 West filed its second amended and supplemental complaint setting forth eight causes of action.

The first five causes of action allege that LRS and the individual defendants infringed numerous of West's copyrights in connection with an alleged computerized legal research service that they sold to the legal profession and others. The sixth and seventh causes of action, also against LRS and the individual defendants, allege actions of unfair competition in the sale of LRS's computerized legal research service, in violation of Section 43(a) of the Lanham Act, 15 U. S. C. §1125(a).

The eighth cause of action is pleaded against all of the defendants, including CSSC. Such cause of action realleges the allegations of the first seven causes of action of

the complaint and, therefore, puts squarely in issue against CSSC all of the prior allegations of the second amended and supplemental complaint. It further alleges that in November, 1969, LRS transferred to CSSC certain magnetic tapes and other materials which infringed West's copyrights and that CSSC has committed the same acts of copyright infringement and unfair competition as alleged in the first seven causes of action of the complaint.

In its prayer for relief West seeks to enjoin all of the defendants including CSSC from infringing West's copyrights and from committing acts of unfair competition; that all of the defendants, including CSSC be required to pay to West all damages as it has sustained as a result of the alleged actions of infringement and unfair competition, but not less than $250. for each act of infringement, and that all of the defendants, including CSSC be required to pay to West exemplary and punitive damages in the sum of $10,000,000.00.

The second amended and supplemental complaint alleged against CSSC, all of the allegations against LRS and the individual defendants and further alleges that "the same acts of copyright infringement and unfair competition alleged in Paragraphs 1 through 66 herein, to have been committed by defendants LRS, Hoppenfeld and Weiner are also being committed or are threatening to be committed by CSSC". Thus, the second amended and supplemental complaint raised against CSSC all of the issues that had previously been raised against LRS including validity and infringement and sought a money judgment against CSSC.

D.

The Answer of CSSC With Demand for Jury Trial

The answer of CSSC dated September 8th, 1970 was served and filed within twenty days after the service

upon it of the second amended and supplemental complaint. In its answer by endorsement thereon CSSC timely demanded a trial by jury within the time prescribed by Rule 38.

CSSC in its answer denied all of the material allegations of the second amended and supplemental complaint. In addition thereto, CSSC alleged as an affirmative defense fifteen counts of counterclaims against West, eight of which state anti-trust counterclaims seeking treble damages against West for violations of the Sherman and Clayton Acts. The remaining counts of the counterclaims are compulsory counterclaims as defined in Rule 13(a) of the Federal Rules of Civil Procedure since they arise out of the transactions and occurrences that are the subject matter of West's claims.[4]

LRS and the individual defendants filed their answer to the second amended and supplemental complaint on September 2nd, 1970 and by endorsement thereon demanded trial by jury and interposed numerous anti-trust counterclaims.

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[4] West is the official publisher of the reports of all the federal district courts and the courts of appeals and of 26 of the states. West through its copyrights and the requirements of the various courts that all citations be to the West reports effectively stifles competition and violates the anti-trust laws. Any attempts by others such as LRS and CSSC to make use of such court reports and statutes are met with spurious and baseless copyright infringement actions to prevent such use, thereby effectively stifling competition in violation of the anti-trust laws. These actions on the part of West are the subject matter of the CSSC counterclaims, all of which arise out of the occurrences that are the subject matter of West's claims against CSSC and the other defendants, to wit: West's use of its copyrights to monopolize the field of law reporting in the United States. Since the invalidity of a copyright is a complete defense to a copyright infringement action, such counterclaims are compulsory counterclaims which must be pleaded (Federal Rules of Civil Procedure, Rule 13(a)).

E.

West's Motion to Strike the Jury Demands

On September 21st, 1970 West filed with the District Court a motion which amongst other things sought to strike the demand for jury trial from the answers of CSSC and LRS to the second amended and supplemental complaint on the ground that "defendants have previously waived their right to jury trial and are not entitled to a jury trial." In addition thereto, by such motion West sought to dismiss the counterclaims contained in both the CSSC and the LRS answers.

West contended in support of its motion that since the original defendants [LRS, Hoppenfeld and Weiner] had failed to demand a trial by jury until interposing their answer to the second amended and supplemental complaint, that none of the defendants, including CSSC were entitled to trial by jury as to any of the issues relating to copyright infringement and that "if CSSC is entitled to a jury trial at all in this case it is only on the narrow issue raised by its joinder as a defendant of whether it received the infringing material from LRS".

In opposition to West's motion to strike the CSSC jury demand CSSC conceded that LRS and the individual defendants had not demanded a jury in this case until they served their answer to the second amended and supplemental complaint. However, CSSC contended the possible waiver of trial by jury by LRS and the individual defendants could not in any way bind CSSC,[5] who is en-

[5] A waiver by one party of its right to trial by jury cannot bind another party (cf. 2B *Barron & Holtzoff*, §879, at p. 57) and any prior supposed waiver of the right to trial by jury cannot, of course, bind another party. *Sacofford* v. *BSW, Inc.*, D. C. Tex. 1963, 34 F. R. D. 15, judgment affirmed, 5th Cir. 1964, 336 F. 2d 406, certiorari denied 379 U. S. 962; *Mortenson* v. *Pacific Far East Line, Inc.*, D. C. Calif., 1956, 148 F. Supp. 71.

titled to a jury trial as a matter of right, since the second amended and supplemental complaint pleaded against CSSC both legal and equitable issues, based on identical questions of fact and that since CSSC would be bound by the determination of all of such issues, it is entitled to trial by jury as a matter of constitutional right, its jury demand having been timely served.

F.

The Order of the Honorable Sylvester J. Ryan Denying Trial by Jury

On January 4th, 1971 the Honorable Sylvester J. Ryan determining West's motion, struck all matters in the CSSC answer and its jury demand. In addition thereto, Judge Ryan also struck the answer and jury demand of LRS and the individual defendants. Judge Ryan in his order gave no reason for the striking of the CSSC answer and jury demand. [Appendix B, *infra*, p. 28.]

G.

CSSC's Petition for a Writ of Mandamus

On the 25th day of January, 1971 CSSC filed a petition for a writ of mandamus directed against the Honorable Sylvester J. Ryan, United States District Judge for the Southern District of New York. In this petition CSSC set forth the aforementioned facts and contended, *inter alia*, that Judge Ryan's order striking CSSC's demand for a jury trial unconstitutionally deprived CSSC of its right to jury trial under the Seventh Amendment of the United States Constitution in that:

1. The so-called waiver of trial by jury by the other defendants [LRS, Hoppenfeld and Weiner] cannot be

inferred to constitute a waiver on the part of CSSC, a separate and distinct legal personality.[6]

2. CSSC is entitled to a jury trial as a matter of constitutional right on the issues of the validity of West's copyright, infringement and damages, since the action brought by West against CSSC is for copyright infringement and an accounting of profits to ascertain damages, together with such damages as might be found to be due West under the provisions of the Copyright Law and a permanent injunction against continued infringement.

The petition for a writ of mandamus further contended that Judge Ryan's order which also struck the CSSC answer deprived CSSC of due process of law by its being denied and deprived of the right to assert its answer to West's claims and set forth its claims against West and deprived CSSC of the right to be heard in its own defense and condemned CSSC without a hearing. The petition prayed that the Court of Appeals command the Honorable Sylvester J. Ryan to vacate his order dated January 4th, 1971, striking the demand of CSSC for a jury trial and striking all matters in the answer submitted by CSSC and to deny the motion of West for such relief.

H.

The Answer to CSSC's Petition for a Writ of Mandamus

On January 29th, 1971 the Honorable Leonard P. Moore, Judge of the United States Court of Appeals for the Second Circuit, directed the Honorable Sylvester J. Ryan to interpose his answer to the petition for a writ of mandamus. On February 11th, 1971, West's attorneys interposed an answer to the petition on behalf of Judge Ryan and West.

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[6] "Its separate personality may not be disregarded." *Berkey v. Third Ave. R. Co.*, 1926, 244 N. Y. 84, 155 N. E. 58; *Rapid Transit Subway Const. Co. v. City of New York*, 1932, 259 N. Y. 472, 182 N. E. 145.

In such answer, West in effect conceded that the issues raised by it against CSSC in the second amended and supplemental complaint are unquestionably legal and the so-called waiver by the other defendants cannot be inferred to constitute a waiver on the part of CSSC, thereby entitling CSSC, which timely demanded a trial by jury, a jury trial as a matter of constitutional right. However, West for the first time, stated in its answer to the petition for a writ of mandamus that the second amended and supplemental complaint "accidentally by its language * * * inadvertently listed CSSC with the other defendants in the prayer for relief for money damages" and its demand for money damages against CSSC "should be stricken or disregarded."

With respect to that part of Judge Ryan's order which struck all matters in the CSSC answer West took the position that the order of Judge Ryan did not strike the CSSC answer in its entirety, but only the counterclaims contained therein.

I.

The Opinion and Order of the Court of Appeals Denying the Petition for a Writ of Mandamus

On March 2nd, 1971, the United States Court of Appeals for the Second Circuit, in an opinion by the Honorable Wilfred Feinberg, denied CSSC's petition for a writ of mandamus both as to its constitutional right to trial by jury and with respect to that part of Judge Ryan's order which struck the answer of CSSC in its entirety.

With respect to that part of Judge Ryan's order that "[a]ll matters in the answer submitted by [CSSC] are stricken" [Appendix "B", *infra*, p. 28] has been interpreted by the Court of Appeals in its opinion, "to strike at this time only CSSC's demand for jury trial and those parts of the CSSC answer which state counterclaims and

are not proper defenses to the limited issues it will be called upon to litigate as a party defendant if it remains in the case in that capacity. [Appendix "B", *infra*, p. 35.]

In denying the petition of CSSC for a writ of mandamus with respect to the CSSC jury demand the Court of Appeals concluded that "the action against CSSC is clearly equitable only" and that, therefore, under *Dairy Queen, Inc.* v. *Wood*, 369 U. S. 469 (1962) and its progeny there was "no abuse of discretion in Judge Ryan's holding that CSSC is not entitled to jury trial". To reach this conclusion the Court of Appeals conceded, in its opinion "that West's amended complaint listed CSSC as one of the defendants from whom it demanded damages", which entitled CSSC to trial by jury as a matter of constitutional right under *Dairy Queen* and its progeny, but that since "West informs us that this was inadvertent error, which it claims will be cured when its amended complaint is again amended * * *, the action against CSSC is clearly equitable only". [Appendix "B", *infra*, p. 34.]

Reasons Relied on for the Allowance of the Writ

I

The Court of Appeals' decision ignores and is in conflict with the teachings and decisions of this Court.

At the times that both Judge Ryan and the Court of Appeals made their respective determinations depriving CSSC of its constitutional right to trial by jury, the second amended and supplemental complaint of West sought money damages against CSSC and still seeks

money damages against CSSC, thereby entitling CSSC to a trial by jury as a matter of constitutional right. The action of West is for copyright infringement and an accounting of profits to ascertain damages together with such damages as may be found to be due West under the provisions of the Copyright Law and a permanent injunction against continued infringement.

A.

Dairy Queen v. *Wood*

It has been firmly established since the decision of this Court in *Dairy Queen, Inc.* v. *Wood*, 369 U. S. 469 (1962) that in an action for infringement and an accounting of profits to ascertain damages together with a permanent injunction against continued infringement, a party is entitled to a jury trial on the issues of validity of the copyright, infringement and damages. As was stated by this Court in *Dairy Queen*, 369 U. S. at 477, "we think it plain that their claim for a money judgment is a claim wholly legal in its nature, however the complaint is construed".

In *Dairy Queen*, this Court first laid to rest the erroneous notion that if a "basic" equitable issue can be discovered, there is no right to jury trial on the other legal issues. "Our previous decisions" you said "make it plain that no such rule may be applied in the federal courts."[7] In particular you read your prior decision in *Beacon Theatres, Inc.* v. *Westover*, 359 U. S. 500 (1959), as requiring that any legal issue for which a trial by jury is timely and properly demanded be submitted to a jury.[8]

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[7] 369 U. S. at 470.

[8] 369 U. S. at 473.

It is undisputed that a claim for damages based upon a charge of infringement is a "legal claim" for which the parties are entitled to a jury trial as a matter of constitutional right,[9] and since West's claim of infringement and its demand for money damages are legal issues, and the only equitable relief sought by West is an injunction against continued infringement[10] CSSC is entitled to a jury trial on those issues as a matter of constitutional right.

As stated in *Dairy Queen*, 369 U. S. at 476:

> "Petitioner's contention as set forth in its petition for mandamus to the Court of Appeals and reiterated in its briefs before this Court is that insofar as the complaint requests a money judgment it presents a claim which is unquestionably legal. We agree with that contention."

Unquestionably, West's claims of infringement and its request for a money judgment "presents a claim which is unquestionably legal" and with respect thereto, CSSC having demanded its jury trial within the time prescribed in Rule 38(b) is entitled to a trial by jury with respect to such issues as a matter of constitutional right. Since the legal issue of infringement for which West seeks money damages is common with the issues upon which its "claim to equitable relief is based, the legal claims involved in the

[9] *Robinson, Ryan*, 2d Cir., 1962, 310 F. 2d 797; *Saxonford v. R. C. W., Inc.*, 5th Cir., 1964, 360 F. 2d 406, certiorari denied 379 U. S. 962; *AMF Tuboscope, Inc. v. Cunningham*, 10th Cir. 1965, 352 F. 2d 150; *Thermo Stitch, Inc. v. Chem-Cord Processing Corp.*, 5th Cir., 1961, 294 F. 2d 486; *Brackman v. Hollzer*, 9th Cir. 1946, 152 F. 2d 730.

[10] It is noteworthy that in the five years this action has been pending in the District Court, West has never sought a preliminary injunction against continued infringement under Rule 65 of the Federal Rules of Civil Procedure.

action must be determined prior to any final court determination of [West's] equitable claims", and in such situation where the issues are common, upon which both the legal and equitable claims are based, the Court of Appeals should have corrected the error of the district court in striking the jury demand by granting the petition for mandamus.[11]

The Court of Appeals conceded, in its opinion "that West's amended complaint listed CSSC as one of the defendants from whom it demanded damages", which entitled CSSC to trial by jury as a matter of constitutional right under *Dairy Queen*, but held that since "West informs us that this was inadvertent error, which it claims will be cured when its amended complaint is again amended * * * the action against CSSC is clearly equitable only". [Appendix "B", *infra*, p. 34.]

While the Court of Appeals has made no finding that West's demanding of money damages was as a result of "inadvertent error", it has in effect issued a mandate to the district court to permit a further amendment of the complaint by West to change the issues against CSSC from legal issues to equitable issues.

Obviously, the only reason for permitting such amendment is to deprive CSSC of its constitutional right to trial by jury. The Court of Appeals for the Second Circuit has, therefore, now promulgated a rule of law for the first time in the history of both the common law and Federal constitutional law that a plaintiff may as a result of its own "inadvertent error" amend its complaint on the eve of trial changing the issues from legal to equitable solely for the purpose of depriving a defendant of its constitutional right to trial by jury. Thus, the Court of Appeals has said that in any case where a plaintiff seeks both legal

[11] *Dairy Queen*, 369 U. S. at 479.

and equitable relief it can deprive a defendant of its constitutional right to trial by jury solely by the ploy of dropping its claim for legal relief, although the factual issues to be determined remain the same.

B.

Scott* v. *Neely* and *Beacon Theaters, Inc.* v. *Westover

The determination of the Court of Appeals that there was "no abuse of discretion in Judge Ryan's holding that CSSC is not entitled to jury trial under *Dairy Queen* v. *Wood*, 369 U. S. 469 (1962) and its progeny" is clearly contrary to the prior holdings of this Court.

In *Scott* v. *Neely*, 140 U. S. 106 (1891) you held 140 U. S. at 109, 110 that:

> "In the Federal courts this [jury] right cannot be dispensed with, except by the assent of the parties entitled to it: nor can it be impaired by any blending with a claim, properly cognizable at law, of a demand for equitable relief in aid of the legal action, or during its pendency. Such aid in the federal courts must be sought in separate proceedings to the end that the right to a trial by a jury in the legal action may be preserved intact."

The holding of *Scott* v. *Neely*, requiring a separate proceeding for equitable relief in aid of the legal action is no longer necessary in view of the union of law and equity granting the court power to grant equitable relief in a legal action.[12] However, since the issues against CSSC were and still are legal, the lower courts had no power or discretion to dispense with CSSC's constitutional right

[12] Federal Rules of Civil Procedure, Rule 2, which provides "There shall be one form of action to be known as 'civil action'."

to trial by jury without its assent.[13] Likewise the lower court has no power or discretion to attempt to change the issues from legal to equitable during the pendency of the action in order to impair CSSC's constitutional right to trial by jury. Such determination of the Court of Appeals is directly contrary to your holding in *Scott* v. *Neely* since the right to trial by jury, once the issues are legal must be "preserved intact".

In *Beacon Theaters, Inc.* v. *Westover*, 369 U. S. 500 (1959) you held 359 U. S. at 510 that:

> "Since the right to jury trial is a constitutional one, however, while no similar requirement protects trials by the court, that discretion is very narrowly limited and must, wherever possible, be exercised to preserve jury trial."

In *Beacon Theaters*, you held that what discretion the trial court has is limited to "whether the legal or equitable cause should be tried first" and "must * * * be exercised to preserve jury trial." The holding of the Court of Appeals is clearly contrary to your holding in *Beacon Theatres*, since it has attempted to broaden this very limited discretion to permit the District Judge to deprive CSSC of its constitutional right to trial by jury, although

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[13] The pattern presented in the instant case is very similar to that in *Thomas* v. *Peninsular & Oriental Steam Navigation Co.*, E. D. Pa., 1965, 246 F. Supp. 592. The plaintiff, a longshoreman brought a civil action for personal injuries in which he demanded a jury trial. He thereafter, commenced a libel in personam on the admiralty side of the court. Plaintiff then moved to transfer the civil action to the admiralty side of the court for consolidation with the libel actions. Plaintiff's motion to transfer was denied. At pp. 593, 594, the Court said:

> "Another compelling reason for denying plaintiff's motion to transfer is found in the policy of preserving the right of trial by jury. * * * plaintiff cannot dispense with a jury trial without the consent of the defendant."

the issues are clearly legal, by the Court of Appeals itself attempting to exercise its discretion to permit a further amendment of West's complaint to change the issues from legal to equitable, not to preserve jury trial as required by your holdings in *Scott* v. *Neely* and *Beacon Theaters,* but to achieve the opposite result and deprive CSSC of its constitutional right to trial by jury.[14]

The Court of Appeals in its opinion conceded that "West's amended complaint listed CSSC as one of the defendants from whom it demanded damages". This being the case the issues raised by West against CSSC were clearly legal, thereby entitling CSSC to trial by jury on those issues as a matter of constitutional right.[15] A federal court has no discretion to deprive a party of a constitutional right, when such right has been properly exercised, as CSSC did when it demanded its trial by jury when it interposed its answer.[16]

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[14] It would appear that the decision of the Second Circuit herein is in direct conflict with its opinion in *Western Geophysical Company of America, Inc.* v. *Bolt Associates, Inc.* (not yet officially reported) decided two days thereafter on March 4th, 1971 by a different panel, wherein it properly stated that such limited discretion should generally be exercised in favor of trial by jury.

[15] *Dairy Queen* v. *Wood, supra;* Federal Rules of Civil Procedure Rule 38(a).

[16] This was aptly pointed out by Judge Motley in *Ballard* v. *Moore-McCormack Lines, Inc.*, S. D. N. Y. 1968, 285 F. Supp. 290, 297 when she stated:

> "* * *. Given the policy of the Seventh Amendment to the Constitution favoring trial by jury, federal courts are least apt to err by granting jury trials, where not prohibited, than by denying jury trial. See Byrd v. Blue Ridge Rural Elec. Coop., 356 U. S. 525, 537-539, 78 S. Ct. 893, 2 L. Ed. 2d 953 (1958). *All the court does is to give plaintiff his jury trial, not out of its discretion, but because of his right to it.*" (Emphasis supplied.)

Both Judge Ryan and the Court of Appeals ignored the teachings of this Court in attempting to exercise their discretion to deprive CSSC of its jury trial, after it properly exercised its constitutional right thereto, since no federal court has any discretion whatsoever to deprive a party of a constitutional right, properly exercised.

II

The Court of Appeals' decision creates uncertainty and is in direct conflict with the Third Circuit and this Court.

The Court of Appeals attempted to justify Judge Ryan's order in depriving CSSC of its constitutional right to trial by jury by saying that if West should again amend its complaint by eliminating its demand for money damages, "the action against CSSC is clearly equitable only." However, this clearly ignores the fact that "[o]nce a jury trial has been [properly] demanded, trial must be had by jury" [17]. Furthermore, at the times that both Judge Ryan and the Court of Appeals both determined that CSSC was not entitled to a jury trial, the complaint of West against CSSC sought money damages and still seeks such damages.

The decision of the Court of Appeals for the Second Circuit in denying the petition for writ of mandamus with respect to CSSC's constitutional right to trial by jury is in direct conflict with the decision of the Third Circuit in *Cannister Co.* v. *Leahy*, 1950, 182 F. 2d 510.

In *Cannister*, the Third Circuit held that "the form of a complaint and the nature of the relief prayed for, in it must guide a trial court in its determination as to

[17] *Collins* v. *Government of the Virgin Islands*, 3rd Cir. 1966, 366 F. 2d 279, 286.

whether or not a trial shall be had to the court or by a jury'', and the ''state of the pleadings [as they then exist] should be treated as controlling''. The court in *Cannister* pointed out that the determination of both the district court and the Court of Appeals as to plaintiff's right to trial by jury must be determined on the issues raised by the pleadings as they presently existed and that ''[i]t first must effect the necessary amendments to its complaints before it can become entitled to assert a right to trial by jury''.

Conversely in the present case the complaint of West before Judge Ryan, before the Court of Appeals and before this Court prays for legal relief against CSSC, which must be the guide in the ''determination as to whether a trial shall be had to the court or by a jury'' and ''the state of the pleadings should be treated as controlling'' since West must first effect the necessary amendments to its complaint before it can become entitled to ''assert'' that the issues against CSSC are ''clearly equitable only''. The holding of the Court of Appeals justifying Judge Ryan's order depriving CSSC of its jury before West has effected such amendment is clearly erroneous, since it may well be that West is not entitled to so amend its complaint, and the issues will remain legal and CSSC will be unconstitutionally deprived of its right to trial by jury under ''*Dairy Queen* and its progeny.''

To permit West to again amend its complaint would clearly be contrary to the holding of this Court in *Foman v. Davis*, 371 U. S. 178 (1962) where you held that leave to amend under Rule 15(a) should be freely granted, but that such leave should be denied for reasons:

> ''such as undue delay, bad faith or dilatory motive on the part of the movant, repeated failure to cure deficiencies by amendments previously allowed, *un-*

due prejudice to the opposing party by virtue of allowance of the amendment, futility of amendment, etc." (Emphasis supplied.)[18]

The only reason that West would again amend its complaint is to thwart and deprive CSSC of its constitutional right to trial by jury, by dropping its claim for money damages and attempting to change the issues against CSSC from legal to equitable. Since the right to jury trial is "a vital and cherished right, integral in our judicial system"[19] any attempted amendment by West of its complaint, the sole purpose of which would be to deprive CSSC of its constitutional right to jury trial, would constitute "undue prejudice to [CSSC] by virtue of allowance of the amendment" without even considering the fact that such belated attempt by West to amend is therefore made in "bad faith" and is a result of "repeated failure to cure deficiencies by amendments previously allowed", for any of which reasons this Court has stated such amendment should not be allowed.[20]

Can one imagine an amendment to a complaint which would result in more "undue prejudice to the opposing party by virtue of allowance of the amendment" than an amendment the sole purpose of which is to deprive the defendant of its constitutional right to trial by jury?

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[18] 371 U. S. at 182.

[19] *City of Morgantown, W. Va.* v. *Royal Ins. Co.*, 337 U. S. 254, 258 (1949).

[20] *Foman* v. *Davis*, 371 U. S. at 182.

III

The decision of the Court of Appeals may well destroy the right to trial by jury in cases containing both legal and equitable issues based on identical questions of fact.

What the Court of Appeals has done is to resolve every question presented to it with respect to CSSC's constitutional right to trial by jury not in favor of trial by jury as required by this Court, but in favor of trial by the court[21] to which there is no constitutional right.[22] This, despite the fact that this Court "has indicated a strong policy preference derived from the Seventh Amendment against any impairment, if not indeed for an expansion of the right to trial by jury,[23] all of which lends impetus toward finding a right to trial by jury in doubtful cases."[24]

The order of the Court of Appeals for the Second Circuit denying CSSC's petition for a writ of mandamus with respect to its constitutional right to trial by jury will require CSSC to defend itself in this copyright infringe-

[21] The counterclaims contained in the CSSC answer sought treble damages against West under the anti-trust laws and contained many issues of fact identical to the issues upon which West's claim for infringement is based, all of which "were essentially jury questions" (*Beacon Theaters, Inc. v. Westover*, 359 U. S. at 504). Notwithstanding this fact Judge Ryan struck the CSSC counterclaims and the Court of Appeals also denied the petition for a writ of mandamus with respect to the CSSC counterclaims.

[22] *Beacon Theaters, Inc. v. Westover*, 359 U. S. at 510.

[23] *Beacon Theaters, Inc. v. Westover, supra; Dairy Queen v. Wood, supra; Fitzgerald v. United States Lines Co.*, 374 U. S. 16 (1963).

[24] *Simler v. Conner*, 372 U. S. 221 (1963); *Mecker v. Ambassador Oil Co.*, 375 U. S. 160 (1963); cf. 2B *Barron & Holtzoff*, §872, 1969 P. P.

ment action, where the complaint against it still seeks money damages, without the right to a trial by jury. If CSSC is denied this right to a jury trial, the plaintiff, West will have the Court's approval to circumvent the clear meaning of the Seventh Amendment to the United States Constitution, the Act of June 25th, 1948, as amended (28 U. S. C. §2072) and Rule 38(a) of the Federal Rules of Civil Procedure, all of which guarantee the right to a trial by jury in suits at common law.

It is submitted that the constitutional right of trial by jury will cease to exist in many instances if a plaintiff can deprive a defendant of that fundamental and cherished right by the mere expedient of seeking both legal and equitable relief involving the identical questions of fact, and then on the eve of trial, or in fact during the trial, drop its claim for legal relief solely for the purpose of depriving a defendant of its constitutional right to trial by jury. This is particularly true where the relief sought by the plaintiff, both legal and equitable, are founded on the same allegations of fact which will determine the ultimate outcome of the action.[25] Under the theory promulgated by the Court of Appeals, to deprive CSSC of its constitutional right to trial by jury, where a plaintiff seeks both legal and equitable relief involving the determination of identical questions of fact, it can deprive a defendant, on the eve of trial, if not during the trial, of its constitutional right to trial by jury, solely by dropping its claim for legal relief, although the factual issues to be determined remain the same.

It is important that the decision of the Court of Appeals in the instant case be reviewed and reversed so that the

[25] The jury, of course, does not grant the relief sought; its function is "simply to answer the question so that judgment may be given." Sir Patrick Devlin, *Trial By Jury*, London (1956) p. 13. After the fact question is resolved by the jury, the Court can give such legal or equitable relief as the matter warrants.

basic constitutional and statutory rights of party litigants shall not be destroyed. Moreover, parties defending similar suits would not know if the ultimate determination of the facts is to be made by the court or jury until after the completion of the plaintiff's case since under the theory promulgated by the Court of Appeals a plaintiff can drop its claim for legal relief at any time, thereby making the issues "clearly equitable only" and thus deprive the defendant of its constitutional right to trial by jury and the conflict between the holding of the United States Court of Appeals for the Second Circuit and your Honorable Court, as well as the various other Courts of Appeals and itself would be resolved.

Conclusion

For the foregoing reasons, it is urged this Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit should be granted since "[m]aintenance of the jury as a fact finding body is of such importance and occupies so firm a place in our history and jurisprudence that any seeming curtailment of the right of trial by jury should be scrutinized with the utmost care"[26] and "because the action of the Court of Appeals [is] inconsistent with protections already clearly recognized for the important constitutional right to trial by jury in [your] previous decisions."[27]

Respectfully submitted,

GABRIEL I. LEVY,
Attorney for Petitioner.

[26] *Dimick* v. *Schiedt*, 293 U. S. 474, 486 (1934); *Beacon Theatres, Inc.* v. *Westover*, 359 U. S. at 500, 501.

[27] *Dairy Queen, Inc.* v. *Wood*, 369 U. S. at 469, 470.

APPENDIX A

Statutes

28 U. S. C. 1254(1).

Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:

(1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree;

ACT of JUNE 25, 1948, as amended, 62 Stat. 961, 28 U.S.C. 2072.

"The Supreme Court shall have the power to prescribe, by general rules, the forms of process, writs, pleadings, and motions, and the practice and procedure of the district courts and courts of appeals of the United States in civil actions, * * *.

Such rules shall not abridge, enlarge or modify any substantive right and shall preserve the right of trial by jury as at common law and as declared by the Seventh Amendment to the Constitution . . ."

Federal Rules of Civil Procedure—Rule 38(a).

The right of trial by jury as declared by the Seventh Amendment to the Constitution or as given by a statute of the United States shall be preserved to the parties inviolate.

APPENDIX B

The Endorsement and Order of The Honorable Sylvester J. Ryan Striking the Jury Demand and Answer of CSSC and the Other Defendants

WEST PUBLISHING COMPANY v. LAW RESEARCH SERVICE, INC., *et al.*

Endorsement

66 Civil 1735

Plaintiff moves for three separate forms of relief.

Plaintiff first moves for an order pursuant to Rules 12, 15, 16 and 39, F.R.C.P., striking paragraphs 16 through 141 and items I, J, K, L and M of the prayer for relief of the answer and counterclaims to the second amended and supplemental complaint served by defendants Law Research Service, Inc., Elias C. Hoppenfeld and Paul Wiener on September 1, 1970. The basis for this motion is that the pleadings and paragraphs sought to be stricken constitute new matter, which is not responsive to plaintiff's prior supplemental pleading, and because leave of this Court to plead such new matter was neither sought nor granted, and that the time for pleading such has long since expired.

Plaintiff also moves to strike defendants' demand for a jury trial on the ground that defendants have previously waived their right to a jury trial and may not now demand a jury trial.

Plaintiff, in addition, moves to dismiss the counterclaims (paragraphs 7 through 112 and items (a) through (h) of the prayer for relief) from the answer and counterclaims of defendant Computer Searching Service Corporation served September 10, 1970, since they are identical to

claims made by that defendant against plaintiff in a suit entitled *Computer Searching Service Corp., et al. v. West Publishing Company, et al.* (S.D.N.Y., 70 Civ. 3692).

This copyright infringement action has been pending since June, 1966 and a pretrial order was entered on February 2, 1970. The record shows that, after the entry of this pretrial order, Judge Croake on August 3, 1970 granted plaintiff permission to add an additional defendant, Computer Searching Service Corporation (which plaintiff alleges defendant Law Research Service, Inc., formed or acquired control of on or about November 1, 1969). Judge Croake wrote in a memorandum opinion that "this joinder raises no new issues except as to what was transferred to this subsidiary." Judge Croake did not (1) disturb the calendar position or mark this action off the trial calendar; and (2) he did not modify the pretrial order in any way. Permission was not granted these defendants to assert new claims or new demands. None of the new material is responsive to or called for by the supplementary allegation added to the complaint and it is manifest that it was for this reason that Judge Croake did not mark the action off the calendar, disturb its relative position on the Ready Trial Calendar, or resettle, change or modify the existing pretrial order.

No application was made to have the present motions referred to Judge Croake. An application to modify the pretrial order was before the Judge, who had entered the pretrial order, but she neither modified the said order or referred the application to Judge Croake. These motions came to me when I sat in the Civil Motion Part of this Court. The Civil Calendar Judge simply granted a Local

Endorsement and Order of Honorable Sylvester J. Ryan

Rule 9(L) application, permitting the motions to be so made; she did not pass on the merits of the motions.

All matters in the answer submitted by the added defendant, Computer Searching Service Corporation (which Judge Croake has found to be a subsidiary of Law Research), are stricken. I am bound by the provisions of Judge Croake's order.

The demand for a jury trial is stricken. Application to declare this to be a Class Action is denied.

The amended answer interposed by the other defendants is stricken.

So ordered.

Dated: January 4, 1971.

SYLVESTER J. RYAN
U.S.D.J.

Opinion of the United States Court of Appeals for the Second Circuit Denying the Petition of CSSC for a Writ of Mandamus

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 761—September Term, 1970.

(Argued February 16, 1971 Decided March 2, 1971.)

Docket No. 71-1072

COMPUTER SEARCHING SERVICE CORPORATION,

Petitioner,

against

HONORABLE SYLVESTER J. RYAN, United States District Judge for the Southern District of New York,

Respondent.

Before:

LUMBARD, *Chief Judge,*

SMITH and FEINBERG, *Circuit Judges.*

Petition for mandamus against Sylvester J. Ryan, *J.*, in the United States District Court for the Southern District of New York. Denied.

GABRIEL I. LEVY, New York, N. Y., *for Petitioner.*

WILLIAM D. CONWELL, New York, N. Y. (White & Case, Laura Banfield, on the brief), *for West Publishing Company and the Honorable Sylvester J. Ryan.*

LEIBOWITT, MILBERG, WEISS & FOX, Melvyn I. Weiss, New York, N. Y., *for Law Research Service, Inc., Ellias C. Hoppenfeld and Paul Wiener.*

FEINBERG, *Circuit Judge*:

This petition arises out of the addition of petitioner Computer Searching Service Corporation (CSSC) as a party defendant in a pending action in the United States District Court for the Southern District of New York between West Publishing Company and Law Research Service, Inc. (LRS) and two of its officers.[1] West brought the suit in June 1966, alleging that LRS purported to do legal research by computer and had copied certain West key number digest indexes, thereby infringing various West copyrights. West further alleged that this material was put on computer tapes, which became a "data bank" to be printed out as needed. The complaint sought both injunctive and monetary relief.

In 1970, after a pre-trial order had been entered, West moved to join CSSC as a defendant on the ground that CSSC, an 83 per cent-owned subsidiary of LRS,[2] was

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[1] *West Publishing Co. v. Law Research Service, Inc.*, 66 Civ. 1735 (S.D.N.Y., filed July 7, 1966).

[2] Another 8% is owned by Paul Wiener, an LRS officer and individual defendant in the action; the rest of the shares are owned by three other individuals.

"threatening to take over the infringing acts" of LRS. The basis for West's claim was LRS's alleged transfer of the supposedly infringing data bank to CSSC. West's motion was granted by Judge Croake. Thereafter, West filed an amended and supplemental complaint which CSSC answered with a number of defenses and counterclaims, some of which had not previously been made part of the case by LRS, and a demand for jury trial; LRS proffered a new answer as well. Prior to filing its answer, CSSC had instituted a separate action which asserted its counterclaims affirmatively.[3] West then moved, *inter alia*, to strike CSSC's counterclaims and its demand for jury trial. The district court, Sylvester J. Ryan, *J.*, granted the motion. CSSC petitions for mandamus under 28 U.S.C. §1651(a), seeking vacation of Judge Ryan's order.

With respect to the striking of CSSC's counterclaims, Judge Ryan's order, as we construe it, reaches a reasonable result. In its answer, CSSC first denied or admitted various allegations in West's amended complaint. Then, after a heading labelled "AS AND FOR AN AFFIRMATIVE DEFENSE AND AS AND FOR A FIRST COUNTERCLAIM," CSSC alleged 15 "Counts," or causes of action, set forth in over 100 separately numbered paragraphs. This portion of the answer incorporated, apparently word for word, CSSC's complaint in its separate action against West filed almost three weeks before, including a prayer for $200 million damages. Insofar as CSSC seeks affirmative relief in its counterclaims against West, CSSC will have an opportunity to litigate these claims in its pending action against West. It would have been both inefficient and inequitable to delay the action between West and LRS,

[3] *Computer Searching Service Corp. v. West Publishing Co.*, 70 Civ. 3692 (S.D.N.Y., filed Aug. 25, 1970).

otherwise ready for trial and high on the trial calendar, merely to allow CSSC's allegations to be pressed in the posture of counterclaims. Cf. *Transmirra Products Corp. v. Monsanto Chemical Co.*, 27 F.R.D. 482 (S.D.N.Y. 1961).

However, there remains one substantial problem. Some of the matter pleaded by CSSC as a counterclaim might also be an appropriate defense to West's copyright action, e.g., the invalidity of West's copyrights.[1] We do not construe Judge Ryan's order as depriving CSSC of the right to litigate such a defense unless it is irrelevant to the issues which CSSC will be called upon to defend. Both Judge Croake, who allowed West to amend its answer to assert a claim against CSSC, and Judge McLean, who ruled on requests by CSSC for discovery, regarded the claims of West against CSSC as quite limited. Judge Croake stated that by its motion to join CSSC as a party defendant, West sought:

> only to add a claim that *if* defendants have transferred to a controlled subsidiary, Computer Searching Services Corporation, any of the alleged infringing material which forms the subject of this suit, then that subsidiary should be joined as a party defendant, so that if plaintiff should win on the trial of the merits an order could be entered enjoining the subsidiary as well as the presently named defendants from such infringing activities. . . .
>
> Joinder of the subsidiary is essential to protection of plaintiff's rights in this action since the injunctive relief which plaintiffs seeks against the named defendants would be of little value if the facts

[1] Pleaded in paragraph 96 of the CSSC answer.

> proved at trial should show that the latter have transferred the infringing activties to the subsidiary. We note that this joinder raises no new issues except as to what was transferred to the subsidiary —matters which are certainly within the knowledge of defendants. [Emphasis in original.]

Similarly, Judge McLean stated:

> [A]s far as CSSC is concerned, the primary issues are whether or not it acquired the allegedly infringing materials from Law Research and whether it is now carrying on substantially the same business formerly carried on by Law Research.

Thus limited, the joinder of CSSC seems to be another way of enforcing Fed. R. Civ. P. 65(d), which provides that:

> [E]very order granting an injunction . . . is binding only upon the parties to the action, their officers, agents, servants, employees, and attorneys, and upon those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise.

The Supreme Court has interpreted this rule to make an injunction enforceable "in appropriate circumstances . . . against those to whom the business may have been transferred, whether as a means of evading the judgment or for other reasons." *Walling* v. *Reuter Co.*, 321 U.S. 671, 674 (1944) (violation of Fair Labor Standards Act). See also *Regal Knitwear Co.* v. *NLRB*, 324 U.S. 9, 14-15 (1945) (cease and desist order); *Chanel Industries, Inc.* v. *Pierre Marche, Inc.*, 199 F. Supp. 748, 753 (E.D. Mo. 1961) (trademark infringement and unfair competition). We, of course,

express no opinion on whether CSSC is in "active concert or participation" with LRS in the supposedly infringing business. But if it is, under the cases cited above, it was not even necessary to join CSSC as a party defendant to achieve the protection West sought. As we view it, it is clear that the issues to be tried against CSSC will in effect be the same as if West had already obtained an injunction against LRS and proceeded against CSSC under Rule 65(d). Therefore, CSSC can assert only those defenses which would be available to it in that posture. In other words, regardless of the form of West's complaint against CSSC it should not be treated as a general party defendant. Indeed, it would make matters less complicated if CSSC were dropped altogether as a formal party defendant, and West were to rely only on its rights under Rule 65(d), if it is successful against LRS. But we leave that to the parties and the court below.

CSSC's second objection to Judge Ryan's order is that it struck CSSC's demand for jury trial. This issue is complicated by the fact that West's amended complaint listed CSSC as one of the defendants from whom it demanded damages. West informs us that this was inadvertent error, which it claims will be cured when its amended complaint is again amended to conform to Judge Croake's order allowing joinder of CSSC as a defendant for the limited purpose of injunctive relief. Under this express understanding which should be carried out by an immediate amendment in this respect of the complaint against CSSC if CSSC is not dropped as a party defendant, the action against CSSC is clearly equitable only. We therefore find no abuse of discretion in Judge Ryan's holding that CSSC

is not entitled to jury trial under *Dairy Queen, Inc. v. Wood*, 369 U.S. 469 (1962), and its progeny.

Two minor issues remain. LRS suggests that Judge Ryan's order leaves it without an answer to West's amended complaint since the amendment "rendered [its first answer] . . . *functus officio*." We assume that the trial court will eliminate this problem by making clear that the case is governed by the carefully drafted pre-trial order. Likewise, Judge Ryan's statement that "all matters" submitted by CSSC are stricken might be misread to leave CSSC without any answer at all. As already indicated, we interpret this language to strike at this time only CSSC's demand for jury trial and those parts of the CSSC answer which state counterclaims and are not proper defenses to the limited issues it will be called upon to litigate as a party defendant, if it remains in the case in that capacity.

Based on the foregoing, the petition for mandamus is denied.

Order of the United States Court of Appeals for the Second Circuit Denying the Petition of CSSC for a Rehearing

71-1072

UNITED STATES COURT OF APPEALS

SECOND CIRCUIT

COMPUTER SEARCHING SERVICE CORPORATION,

Petitioner,

against

HONORABLE SYLVESTER J. RYAN, United States District Judge for the Southern District of New York,

Respondent.

A petition for a rehearing having been filed herein by counsel for the petitioner,

Upon consideration thereof, it is

Ordered that said petition be and it hereby is

DENIED.

J. EDWARD LUMBARD
J. JOSEPH SMITH
WINFRED FEINBERG
Circuit Judges

March 26, 1971.

Order of the United States Court of Appeals for the Second Circuit Denying the Petition of CSSC for a Rehearing in Banc

71-1072

UNITED STATES COURT OF APPEALS

SECOND CIRCUIT

COMPUTER SEARCHING SERVICE CORPORATION,

Petitioner,

against

HONORABLE SYLVESTER J. RYAN, United States District Judge for the Southern District of New York,

Respondent.

A petition for a rehearing containing a suggestion that the action be reheard in banc having been filed herein by counsel for the petitioner and no active circuit judge having requested that a vote be taken on said suggestion,

Upon consideration thereof, it is

Ordered that said petition be and it hereby is denied.

s/ J. EDWARD LUMBARD
Chief Judge

March 26, 1971

SUPREME COURT, U.S. 70-222

IN THE

Supreme Court of the United States

October Term, 1970

COMPUTER SEARCHING SERVICE CORPORATION,
Petitioner,

against

HONORABLE SYLVESTER J. RYAN, United States District Judge for the Southern District of New York,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit

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RESPONDENTS' BRIEF IN OPPOSITION

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IN THE

Supreme Court of the United States

October Term, 1970

COMPUTER SEARCHING SERVICE CORPORATION,
Petitioner,

against

HONORABLE SYLVESTER J. RYAN, United States District Judge for the Southern District of New York,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit

RESPONDENTS' BRIEF IN OPPOSITION

Question Presented

Where the plaintiff in a prolonged litigation sought, and obtained, leave of the District Court to assert a claim for injunctive relief only against a newly-added defendant, but thereafter inadvertently included the new defendant in a general prayer for relief (which included a damage claim), did the Court of Appeals err in holding that the apparent damage claim did not create new legal issues or a right to jury trial in defendants, but rather was merely unauthorized surplusage which should and will be stricken by an appropriate amendment to the complaint?

Statutes and Rules Involved

Federal Rules of Civil Procedure 8(f), 15(a) and 16 and Rule 19 of the Rules of the United States Supreme Court are reproduced as Appendix A to this brief.

Statement

In June 1966 the West Publishing Company sued Law Research Service, Inc. ("LRS") and its principal officers, Messrs. Hoppenfeld and Weiner, for copyright infringement.* In substance, West's suit claims that LRS' purported computer legal research scheme was nothing more than a wholesale copy of West's works: that the indexes or "Thesauri" which LRS sold its subscribers were line-for-line copies of Descriptive Word Indexes to the West Digests; that case citations printed out from LRS' computer were copied from West's Table of Cases volumes, and that LRS' "data bank" of material from both the Descriptive Word Indexes and Table of Cases volumes infringed West's copyrights in these works as well. LRS, Hoppenfeld and Weiner denied any copying at all and counterclaimed that West's copyrights were invalid and that West was guilty of a multitude of antitrust offenses.

After numerous motions and extensive discovery, a Pretrial Order was finally entered in the West suit in February 1970. Since that time the case has been slowly

* This suit (hereafter "the West suit") is currently titled *West Publishing Company* v. *Law Research Service, Inc., Ellias C. Hoppenfeld, Paul Wiener and Computer Searching Service Corporation*, 66 Civ. 1735, Cal. No. 167 (S.D.N.Y.). A copy of the Second Amended and Supplemental Complaint in the West suit is reproduced as Appendix C to this brief.

working its way up to the top of the crowded civil non-jury calendar of the Southern District of New York for trial.

After the Pretrial Order was entered, West learned from LRS' monthly filings with the Securities and Exchange Commission that LRS had transferred its "data bank"—the infringing materials which are the subject of West's suit—to a newly-formed subsidiary, petitioner Computer Searching Service Corporation ("CSSC"). The President of CSSC is Paul Weiner, a principal officer of LRS. After becoming aware of these facts, West moved for leave to amend and supplement its complaint and the Pretrial Order to join CSSC as a defendant in the suit against LRS, so that if the issue of infringement were decided in West's favor at trial, the injunction West obtained against LRS would bind CSSC as well. District Judge Croake granted West's motion on August 3, 1970 (Appendix B hereto).

After Judge Croake's decision, West served a Second Amended and Supplemental Complaint (Appendix C hereto) which added a cause of action against CSSC* and which also added the name of CSSC to those of the other defendants in each item of the prayer for relief. The inclusion of CSSC with the other defendants in the item of the prayer seeking money damages (as distinct from the

* Plaintiff West asserted its claim against CSSC in an Eighth Cause of Action (Appendix C, p. C15) which repeats and realleges factual allegations contained in other causes of action in the complaint. All of these factual allegations are relevant to the claim against CSSC since they identify the source of the data bank, how it was prepared, how it was used, who the principals are, etc. To the limited extent that the allegations realleged include prayers for relief, such allegations are all prayers for relief only as to defendants LRS, Hoppenfeld and Weiner, and do not add anything to the claim as to CSSC.

item seeking injunctive relief alone) was inadvertent and went beyond the change which West had asked Judge Croake for leave to make or which Judge Croake's order in fact authorized.

After West served this complaint on CSSC, CSSC brought a multi-claim antitrust action against West, also in the Southern District of New York, and within days of commencing that action, interposed the same claims as counterclaims against West in the instant suit—and, in both actions, demanded a jury trial. CSSC then tried to reopen discovery in the West suit by serving interrogatories similar to those served years previously by the LRS defendants: this tactic was rejected by District Judge McLean in an order and decision dated January 12, 1971.

CSSC's jury demand was, in West's view, simply a delay device, since it would have meant removing the case from the non-jury calendar it had been moving up for so long and starting over again at the bottom of a jury calendar. West therefore moved to strike, among other things, petitioner CSSC's demand for a jury trial. This motion was granted by Judge Ryan on January 4, 1971. Judge Ryan's decision states in part:

> "* * * Judge Croake wrote in a memorandum opinion that 'this joinder [of CSSC as a defendant] raises no new issues except as to what was transferred to this subsidiary.' Judge Croake did not (1) disturb the calendar; and (2) he did not modify the pretrial order in any way. Permission was not granted these defendants to assert new claims or new demands. None of the new material is responsive to or called for by the supplementary allegation added to the complaint and

it is manifest that it was for this reason that Judge Croake did not mark the action off the calendar, disturb its relative position on the Ready Trial Calendar, or resettle, change or modify the existing pretrial order." (Pet. Appendix B, p. 27).

Petitioner CSSC thereupon sought a writ of mandamus to compel Judge Ryan to grant its jury demand. This was denied by the Second Circuit Court of Appeals in an opinion dated March 2, 1971 (Pet. Appendix B, p. 29), from which CSSC now petitions for a writ of certiorari.

Argument

In upholding Judge Ryan's order striking CSSC's demand for a jury trial, the Second Circuit said:

"CSSC's second objection to Judge Ryan's order is that it struck CSSC's demand for jury trial. This issue is complicated by the fact that West's amended complaint listed CSSC as one of the defendants from whom it demanded damages. West informs us that this was inadvertent error, which it claims will be cured when its amended complaint is again amended to conform to Judge Croake's order allowing joinder of CSSC as a defendant for the limited purpose of injunctive relief. Under this express understanding which should be carried out by an immediate amendment in this respect of the complaint against CSSC if CSSC is not dropped as a party defendant, the action against CSSC is clearly equitable only. We therefore find no abuse of discretion in Judge Ryan's holding that CSSC is not entitled to jury trial under *Dairy Queen, Inc.* v. *Wood*, 369 U.S. 469 (1962) and its progeny." (Pet. Appendix B, pp. 34-35).

As set forth herein, the Court of Appeals was clearly correct in agreeing with Judge Ryan that West had, and

indeed could have only an equitable, and not a legal, claim against CSSC. Petitioner relies on *Dairy Queen, Inc.* v. *Wood,* 369 U.S. 469 (1962) and *Beacon Theatres, Inc.* v. *Westover,* 359 U.S. 500 (1959), in which this Court sought to preserve the right to jury trial of legal issues where legal and equitable issues were joined together in a single claim or action. The Court of Appeals' decision in the present case, however, and the order of Judge Ryan it upheld, present no problem under *Beacon Theatres* or *Dairy Queen,* because, as both courts below found, West has no legal, but only an equitable, claim against CSSC and CSSC therefore has no right to a jury trial in any event.

The Second Circuit here did not decide any "important question of federal law which has not been, but should be" settled by this Court, Rule 19 of the United States Supreme Court (Appendix A, p. A2). On the contrary, the Court of Appeals merely decided, in this unique procedural situation, that West's inadvertent and unauthorized inclusion of CSSC in its general prayer for relief was mere surplusage properly to be cured by amendment of the complaint to conform with the prior order of Judge Croake. Nor does the Second Circuit's decision here conflict with decisions of any other Circuit Court of Appeals. In the Third Circuit's twenty-year-old decision in *Canister & Co.* v. *Leahy,* 182 F.2d 510 (3d Cir. 1950), relied on by petitioner, plaintiffs contended that their claim for equitable relief had for various reasons become moot, leaving only legal claims, and that they could therefore demand a jury trial even though the case was more than five years old. The Third Circuit said that in order to make such a demand plaintiffs had first to apply for leave

to amend their complaint pursuant to Rule 15(a) of the Federal Rules of Civil Procedure. This is precisely the procedure contemplated by the Second Circuit here: the question of whether the issues are legal or equitable is to be determined on the basis of the pleadings when they have been amended to correctly reflect the issues in the case. When that is done in this case, as the Second Circuit said, there will be no legal, but only an equitable, claim against CSSC, and hence no right in CSSC to jury trial. There is, in short, no issue raised by the Court of Appeals' decision in this matter which under any of the tests set forth in Rule 19 of this Court warrants issuance of a writ of certiorari.

I

The Second Circuit correctly held that West has only an equitable claim against petitioner CSSC.

The Court of Appeals agreed with Judge Ryan that West had asked for and been granted leave of court only to assert a claim for injunctive (*i.e.*, equitable) relief against CSSC. Indeed, this was the only relief West could have obtained against CSSC in the circumstances. The conclusion of the Second Circuit that West had only an equitable claim against CSSC and that CSSC therefore had no right to jury trial was thus compelled by the unique procedural history of this litigation and does not conflict in any way with the holding or the rationale of this Court's decisions in *Beacon Theatres* and *Dairy Queen, supra.*

When West moved in the District Court for leave to join LRS' new subsidiary CSSC as a defendant, it sought leave only to seek injunctive relief against the new defend-

ant.* Judge Croake's order granting the motion permitted only such a claim for equitable relief to be added to the complaint and Pretrial Order. Thus Judge Croake said:

> "It is clear that plaintiff seeks by this motion only to add a claim that *if* defendants have transferred to a controlled subsidiary, Computer Searching Services Corporation, any of the alleged infringing material which forms the subject of this suit, then the subsidiary should be joined as a party defendant, so that if plaintiff should win on the trial of the merits an order could be entered enjoining that subsidiary as well as the presently named defendants from such infringing activities." (Emphasis by the court.) (Appendix B, p. B2.)

* The affidavit of William D. Conwell, Esq., sworn to May 28, 1970, in support of West's motion stated at page 5 that:

"The amendment requested in the Pretrial Order and Complaint is as follows:

* * *

"(2) Adding to paragraph 3(b) of the Pretrial Order (The Contentions of the Parties) and to the Complaint the following:

"'Computer Searching Service Corporation'

'On or about November 1, 1969 defendant Law Research formed or acquired control of a corporation known as Computer Searching Service Corporation. Defendant Wiener is the president of CSSC. LRS transferred to CSSC some or all of its "data bank" including magnetic tapes from which the Thesauri are prepared and printouts of case citations are made and which constitute copyright infringement or which may or are used to produce material which constitutes copyright infringement. CSSC has announced its intention to offer a computerized legal research service similar to that offered by LRS. The CSSC magnetic tapes, Thesauri and printouts are copies of and infringe the same materials which LRS copied and infringed. Plaintiff requests an order enjoining defendants, its subsidiaries, assigns, successors or any other person or firm from using the infringing material prepared by defendants and from committing any of the acts complained of herein.'"

When West's motion to join CSSC was made, the time to amend pleadings as of right under Rule 15(a) of the Federal Rules of Civil Procedure had long since passed and indeed a Pretrial Order under Rule 16 governing the issues to be tried had already been entered. As Judge Ryan correctly held, the order and decision of Judge Croake therefore necessarily determine the scope and intendment of any supplement to the pleadings. All West asked for, then, and all West got, was the right to add to its complaint and to the Pretrial Order a claim for injunctive relief against LRS' new subsidiary CSSC.

There would have been no question as to the nature of the relief West was requesting from CSSC or of CSSC's right to a jury trial, if the Second Amended and Supplemental Complaint served by West after Judge Croake's order had not inadvertently included CSSC with the other defendants in a general prayer for relief instead of separately stating a prayer for relief only against CSSC. Thus, from the wherefore clause in West's complaint (Appendix C, p. C16) it erroneously appeared that West claimed both equitable and legal relief against CSSC. This is not the case. When the Pretrial Order and complaint are amended as called for by the Second Circuit's decision, the amendment will, of course, strictly conform to Judge Croake's order and will seek only injunctive relief against CSSC.

Moreover, it plainly appears from CSSC's answer and the affidavits of both LRS' President, Mr. Hoppenfeld, and of LRS attorney and CSSC stockholder Martin Fox that CSSC has not yet published any materials, commenced

operations or done any business.* As a practical matter, then, West cannot have any legal claim for damages against CSSC, but has only a claim for an injunction against threatened infringement by that company which is of course an equitable claim and does not entitle CSSC to a jury trial. See *Shubin* v. *U.S. District Court*, 313 F.2d 250, 251 (9th Cir.), *cert. denied*, 373 U.S. 936 (1963), where the Ninth Circuit Court of Appeals on remand from this Court with directions to reconsider in light of *Dairy Queen*** held to its original decision that the issues involved threatened infringement, were therefore equitable only, and did not give rise to a right to jury trial.

---

* CSSC's Answer and Counterclaim to the Second Amended Complaint (Appendix D hereto) dated September 8, 1970 alleges in paragraph 48:

> "Defendants [referring to West] are well aware that the plaintiff CSSC has not published any material whatsoever and there is no present alleged infringed material, which could or possibly be the basis for an action against the plaintiff CSSC for copyright infringement." (Appendix D, p. D11)

The affidavit of Martin Fox, Esq., sworn to July 10, 1970 in opposition to West's motion for leave to join CSSC as a defendant states in paragraph 7:

> "CSSC has never published any material nor has it commenced any operations, and could not possibly therefore have infringed any of [West's] material."

Mr. Hoppenfeld's affidavit also sworn to July 10, 1970 in opposition to West's motion, states in paragraph 5:

> "It also may be interesting to note that CSSC has not published any works whatsoever at this point, which the plaintiff can even claim are infringing on any of its works."

** *Shubin*, originally reported at 299 F.2d 47 (9th Cir.), was remanded by the Supreme Court after *Dairy Queen*, 369 U.S. 600 (1962).

II

The decision below does not conflict with *Beacon* and *Dairy Queen*.

This Court has rigorously enforced the Seventh Amendment's command that the right to jury trial in "suits at common law" be preserved, and to prevent erosion of this right has held, where equitable and legal issues are joined in one action, that the legal issues must be tried to a jury before the issues which are equitable only may be determined. *Beacon Theatres, Inc.* v. *Westover,* 359 U.S. 500 (1959); *Dairy Queen, Inc.* v. *Wood,* 369 U.S. 469 (1962).

The denial of a jury trial to CSSC does not offend the rationale of these decisions, but indeed fully accords with them. These were cases where the pleadings, however "equitable" on their surface, in fact stated true legal claims and, on the principle that substance is more important than form, this Court upheld the right to jury trial in both instances. In the present case, the form appears legal—West did include CSSC with the other defendants in its general prayer for relief—but the substance of West's claim against CSSC is, and could be, equitable only: as the Circuit Court and the District Court found, West did not ask for leave to claim damages against CSSC, did not obtain such leave, and could not have asserted a money claim in any event because CSSC's infringement, at least at that time, was only threatened rather than actual.

The pleadings in *Dairy Queen* on their face stated equitable issues: an action for trademark infringement seeking an injunction and an accounting. Looking to the

substance of the pleadings and not to the form, however, this Court perceived that the action was actually for damages for breach of a trademark license agreement and thus was "legal":

> "As an action on a debt allegedly due under a contract, it would be difficult to conceive of an action of a more traditionally legal character * * *" 369 U.S. at 477.

In reaching its conclusion, this Court analyzed in detail the factual situation presented, remarking:

> "But the Constitutional right to a jury cannot be made to depend upon the choice of words used in the pleadings." 369 U.S. at 477-78.

Indeed, Rule 8(f) of the Federal Rules of Civil Procedure (Appendix A, p. A1) requires that pleadings be construed to do substantial justice.

The Second Circuit, following the rule of *Dairy Queen,* issued a writ of mandamus requiring Judge Ryan to grant a jury trial in *Robine* v. *Ryan,* 310 F.2d 797 (2d Cir. 1962). Again the emphasis was on substance over form:

> "it is equally clear from [*Dairy Queen*] that ambiguities and inelegancies in a pleading will not defeat a demand for a jury trial so long as it reasonably appears that the substance of what is pleaded constitutes a claim for relief at law." 310 F. 2d at 798.

To the same effect, see the Tenth Circuit's recent decision in *Bruce* v. *Bohanon,* 436 F.2d 733 (10th Cir. 1970), upholding the right to jury trial on an ostensible claim for an accounting which in substance, though not in form, posed both legal and equitable issues.

In *Dairy Queen* and *Robine* it happened that the pleadings on their face were equitable in form, although the real issues were legal. In the present case the situation is reversed. The claim presented against CSSC is solely equitable. Though the prayer for relief inadvertently included CSSC, that claim under the Second Circuit's decision and that of Judge Ryan is mere surplusage which does not add anything to the issues in the case. As the Ninth Circuit held in *Shubin* v. *United States District Court, supra*:

> "The defendants seek only a permanent injunction against *threatened* infringement. This is not a legal issue." (Emphasis by the court.) 313 F.2d at 251.

And so it is here: West sought only an injunction against threatened infringement by CSSC. The Second Circuit correctly interpreted this pleading in light of Judge Croake's order and the factual situation before it, concluding that West in fact had no legal claim against CSSC, notwithstanding the formal, inadvertent error in West's wherefore clause, which can be cured by a simple amendment conforming the complaint to the order of Judge Croake. This procedure, which gives effect to substance rather than form, does no violence to the Seventh Amendment.

Conclusion

West has pursued this tortuous and expensive litigation for over five years. It now appears, at last, that West's copyright infringement suit against LRS, its subsidiary CSSC, and Messrs. Hoppenfeld and Weiner will

soon be reached for trial. Respondent West submits that the present petition, another of the last-minute efforts of these defendants to avoid or delay this trial, does not raise any substantial question meriting consideration by this Court and should accordingly be denied.

Respectfully submitted,

ORISON S. MARDEN
Attorney for Respondents Honorable Sylvester J. Ryan, United States District Judge for the Southern District of New York and
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RAYNER M. HAMILTON
LAURA BANFIELD
PAUL C. ROONEY
WHITE & CASE
Of Counsel

June 25, 1971

Appendix A

Federal Rules of Civil Procedure

Rule 8(f):

Construction of Pleadings. All pleadings shall be so construed as to do substantial justice.

Rule 15(a):

Amendments. A party may amend his pleading once as a matter of course at any time before a responsive pleading is served or, if the pleading is one to which no responsive pleading is permitted and the action has not been placed upon the trial calendar, he may so amend it at any time within 20 days after it is served. Otherwise a party may amend his pleading only by leave of court or by written consent of the adverse party; and leave shall be freely given when justice so requires. A party shall plead in response to an amended pleading within the time remaining for response to the original pleading or within 10 days after service of the amended pleading, whichever period may be the longer, unless the court otherwise orders.

Rule 16: Pre-Trial Procedure and Formulating Issues

In any action, the court may in its discretion direct the attorneys for the parties to appear before it for a conference to consider

(1) The simplification of the issues;

(2) The necessity or desirability of amendments to the pleadings;

(3) The possibility of obtaining admissions of fact and of documents which will avoid unnecessary proof;

(4) The limitation of the number of expert witnesses;

(5) The advisability of a preliminary reference of issues to a master for findings to be used as evidence when the trial is to be by jury;

(6) Such other matters as may aid in the disposition of the action.

The court shall make an order which recites the action taken at the conference, the amendments allowed to the pleadings, and the agreements made by the parties as to any of the matters considered, and which limits the issues for trial to those not disposed of by admissions or agreements of counsel; and such order when entered controls the subsequent course of the action, unless modified at the trial to prevent manifest injustice. The court in its discretion may establish by rule a pre-trial calendar on which actions may be placed for consideration as above provided and may either confine the calendar to jury actions or to non-jury actions or extend it to all actions.

Rules of the United States Supreme Court

Rule 19:

1. A review on writ of certiorari is not a matter of right, but of sound judicial discretion, and will be granted only where there are special and important reasons therefor. The following, while neither controlling nor fully measuring the court's discretion, indicate the character of reasons which will be considered:

(a) Where a state court has decided a federal question of substance not theretofore determined by this court, or has decided it in a way probably not in accord with applicable decisions of this court.

(b) Where a court of appeals has rendered a decision in conflict with the decision of another court of

appeals on the same matter; or has decided an important state or territorial question in a way in conflict with applicable state or territorial law; or has decided an important question of federal law which has not been, but should be, settled by this court; or has decided a federal question in a way in conflict with applicable decisions of this court; or has so far departed from the accepted and usual course of judicial proceedings, or so far sanctioned such a departure by a lower court, as to call for an exercise of this court's power of supervision.

2. The same general considerations outlined above will control in respect of petitions for writs of certiorari to review judgments of the Court of Claims, of the Court of Customs and Patent Appeals, or of any other court whose determinations are by law reviewable on writ of certiorari.

Appendix B

Memorandum Order and Decision of the Hon. Herbert F. Croake, U.S.D.J.

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

66-Civ. 1735

WEST PUBLISHING COMPANY,

Plaintiff,

v.

LAW RESEARCH SERVICE, INC., ELLIAS C. HOPPENFELD and PAUL WIENER,

Defendants.

Appearances:

WHITE & CASE
Attorneys for Plaintiff
14 Wall Street
New York, N. Y. 10005
By: William D. Conwell, Esq.
Of Counsel

LEIBOWITT, MILBERG, WEISS & FOX
Attorneys for Defendants
2 Pennsylvania Plaza
New York, N. Y. 10001
By: Martin Fox, Esq.
Of Counsel

CROAKE, D. J.

Plaintiff alleges in this action that defendants have infringed numerous of plaintiff's copyrights and committed acts of unfair competition in connection with an alleged computerized legal research service they sell. Plaintiff has brought on the instant motion before the undersigned for an order pursuant to Federal Rules of Civil Procedure 15, 16, and 21, joining Computer Searching Services Corporation as a defendant in this action, amending the Pretrial Order, and granting plaintiff leave to serve and file a Second Amended and Supplemental Complaint and Amended Reply.

In support of its motion, plaintiff argues that Computer Searching Services Corporation is a recently formed wholly owned subsidiary of defendant Law Research Service, Inc., and has taken over or is threatening to take over the infringing acts of the said named defendant. Plaintiff also seeks to assert the defense of collateral estoppel in the Reply because of a recent decision in an action by Law Research Service, Inc., against Western Union to which plaintiff was not a party.

It is clear that plaintiff seeks by this motion only to add a claim that *if* defendants have transferred to a controlled subsidiary, Computer Searching Services Corporation, any of the alleged infringing material which forms the subject of this suit, then that subsidiary should be joined as a party defendant, so that if plaintiff should win on the trial of the merits an order could be entered enjoining that subsidiary as well as the presently named defendants from such infringing activities. The merits of the infringements claims are not raised herein, nor are they at all considered by the undersigned on this motion.

After considering the papers submitted and hearing oral argument, we have concluded that joinder of the Computer Searching Services Corporation is proper and, in

fact, necessary in the interests of justice under Rules 19, 20 and 21 of the Federal Rules of Civil Procedure. It is clear that plaintiff's claim against the subsidiary arises from the same occurrences and transactions and presents the same issues of law and fact as its claim against the named defendants. Joinder of the subsidiary is essential to protection of plaintiff's rights in this action since the injunctive relief which plaintiff seeks against the named defendants would be of little value if the facts proved at trial should show that the latter have transferred the infringing activities to the subsidiary. We note that this joinder raises no new issues except as to what was transferred to the subsidiary—matters which are certainly within the knowledge of defendants.

Secondly, leave is granted to the plaintiff to assert collateral estoppel on the basis of a decision made subsequently to the entry of the Pretrial Order. We note that defendants were certainly on notice that this matter would be raised since the Pretrial Order did indicate the pendency of that matter which was subsequently decided, as well as of numerous other matters, the determination of which might serve to expedite this action if collateral estoppel should be found applicable.

Accordingly, plaintiff's motion is granted in its entirety.

So Ordered.

Dated: New York, N. Y.
August 3, 1970

/s/ Thomas F. Croake

Thomas F. Croake
U. S. D. J.

Appendix C

Second Amended and Supplemental Complaint

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

66 Civ. 1735

WEST PUBLISHING COMPANY,

Plaintiff,

against

LAW RESEARCH SERVICE, INC., ELLIAS C. HOPPENFELD, PAUL WIENER and COMPUTER SEARCHING SERVICE CORPORATION,

Defendants.

Plaintiff alleges:

As and for a First Cause of Action Against Defendants Law Research, Hoppenfeld and Wiener

1. Plaintiff is a Minnesota corporation having its principal place of business at 50 West Kellogg Boulevard, Saint Paul, Minnesota.

2. Upon information and belief, defendant Law Research, Inc. (hereinafter "Law Research") is a New York corporation with its principal place of business at 60 Hudson Street, New York, New York.

3. Upon information and belief, defendant Ellias C. Hoppenfeld is president and a director of defendant Law Research.

4. Upon information and belief, defendant Paul Wiener is secretary-treasurer and a director of defendant Law Research.

5. This action arises under the Copyright Act of 1909, as amended, 17 U.S.C. §1 *et seq.* and related claims of unfair competition and under §43 of the Lanham Act, 15 U.S.C. §1121. Jurisdiction is conferred on this court by 17 U.S.C. §112, 28 U.S.C. §1338 and 15 U.S.C. §1121. Jurisdiction is also based on diversity of citizenship because, upon information and belief, neither the individual defendants nor the corporate defendant Law Research are citizens of Minnesota, the state of incorporation and principal place of business of plaintiff. The matter in controversy exceeds the sum of $10,000 exclusive of interest and costs.

6. Plaintiff has prepared and published numerous books, pamphlets and other materials for the legal profession. These materials constitute an important source for finding applicable rules of law in this country.

7. The books published by plaintiff (not including those published by plaintiff jointly with others) include: (1) Sets of reporters called the National Reporter System such as the Federal Reporter and New York Supplement which contain the actual text of judicial decisions plus editorial and other material prepared and compiled by plaintiff; (2) Sets of annotated statutes such as the United States Code Annotated containing the actual text of statutes plus annotations and other materials prepared and compiled by plaintiff; (3) Sets of digest containing summaries of the law of various jurisdictions and courts prepared and compiled by plaintiff; (4) reference works such as Corpus Juris Secundum and Words & Phrases containing editorial mate-

rial prepared by plaintiff; and (5) numerous treatises and text books.

8. As soon as a case is decided a copy of the court's opinion is mailed to West where it is studied and analyzed by the West Editorial Staff composed entirely of lawyers. These lawyers prepare a synopsis of each case and headnotes which briefly state the facts and the rule of law applied for each point decided. The headnotes are then classified by topic (*i.e.*, subject matter) and Key Number in accordance with a system of classification originated and developed by plaintiff known as the West Key Number System.

9. Opinions are then published in weekly advance sheets and subsequently in bound volumes of the various West reporters.

10. Each bound volume and advance sheet included in the National Reporter System contains, in addition to the texts of judicial opinions as verified by West, synopses prepared by West, headnotes prepared, classified by topic and Key Number by West and the attorneys' names and addresses. They also contain the following material compiled by West; a Table of Cases Reported; a Table of Statutes Construed; a Table of the Federal Rules of Civil and Criminal Procedure; a Table of Words & Phrases; and a Key Number Digest index to the cases reported in that volume or advance sheet. The advance sheets contain a synopsis of Recent Federal Cases, Judicial Highlights and Rehearing Tables. The bound volumes contain a Table of Cases reported by State and a list of all judges sitting in the courts of the jurisdiction covered by that Reporter.

Appendix C

Key Number Digests and Descriptive Word Indexes

11. As an aid in meeting the problem of locating cases pertinent to particular points of law from the mass of reported decisions, West developed over the years a method of summarizing, classifying and indexing the decided cases by subject matter. These indexes are published as West Key Number Digests.

12. West's expert legal staff digests each case by preparing one-paragraph summaries which state the facts and the holding for every point of law in the opinion. Each such summary paragraph is then classified under the appropriate Digest Topic heading (of which there are over 400 in the West System) and within that Topic heading under the appropriate Key Number subdivision.

13. The resulting Digest is thus a compilation of summaries of cases prepared by West, with subsequent case history added by West, indexed by Topic and Key Number in accordance with a classification scheme originated and continually updated and modified by West.

14. To enable lawyers to find the appropriate Digest Topic heading and Key Number sub-heading, West publishes volumes known as Descriptive Word Indexes which accompany each Digest, except the District of Columbia Digest and the Alaska Digest.

15. To make up the Descriptive Word Index volumes, West's legal staff selects from each decision, words which are descriptive of the important facts and legal principals in that case. These descriptive words are then arranged alphabetically and a reference is supplied to the Topic and Key Number where citations and summaries of cases in-

volved similar facts and points of law are contained in that Digest.

16. Each digest also contains a Table of Cases, which gives the title of the case, its procedural history, parallel citations to appropriate reporters and the Topics and Key Numbers under which that case has been classified in the Digest System. Each Digest volume has an index of the Topics and Key Numbers covered therein.

Annotated Statutes

17. In addition to reporters and digests of case law, West publishes annotated statutes which include, in addition to the official text of each statute, such editorial features supplied by West as synopsis paragraphs of all cases construing the statutes classified by subject matter within each statute; and analysis or index of the paragraphs under each statute; Indexes and Popular Name Tables, Historical Notes and references to legislative history; cross references to related statutes; and references to West Digest Topics and Key Numbers.

18. The works described in the foregoing paragraphs 6 to and including 17 hereof and not including any works published by plaintiff jointly with others, contain a large amount of material created by and wholly original with plaintiff which is copyrightable subject matter under the laws of the United States.

19. In respect of each of such works (described in paragraphs 6 to and including 17 hereof) plaintiff, which has at all times been a citizen of the United States, has complied with the Copyright Act of 1909, as amended, 17 U.S.C. §1 *et seq.* and all other laws governing copyright and secured the exclusive rights and privileges in and to the copyright

of such materials and received from the Register of Copyrights certificates of registration of such copyrights.

20. All such works have been published by plaintiff and all copies of them made by plaintiff or under its authority or license have been printed, bound and published in conformity with the provisions of the Copyright Act, 17 U.S.C. §1 *et seq.* and all other laws governing copyright.

21. Plaintiff has been at all times and still is the sole proprietor of all rights, title and interest in and to the copyright in said works except for some situations in which it is a joint proprietor.

22. The foregoing publications and each of them represent an enormous amount of time-consuming work and professional skill. The publications copyrighted by West are relied upon by lawyers and judges throughout the country. The work done by West and its staff throughout the years has been of incalculable benefit to our country by making readily and accurately accessible applicable precedents and laws to the legal profession, courts, legislatures and other interested parties.

23. Defendants offer and sell a service which purports to do legal research by use of a computer.

24. Defendants offer their service to lawyers pursuant to subscription agreements. Upon information and belief defendants are represented in some areas by persons or firms known as "directors" who are franchisees of Law Research authorized to sell its service.

25. Upon information and belief, defendants supplied their customers, subscribers and franchisees with volumes known as Thesauri. These Thesauri are in essence indexes

of works or headings identifying and indexing legal topics. A number is assigned to each word or heading. These Thesauri are used by the researcher (subscriber or franchisee) to locate the topic and number pertinent to his inquiry.

26. Upon information and belief, defendants have printed onto tapes or drums for use in computers, citations to cases and other legal material keyed to the numbers assigned words in their Thesauri.

27. Upon information and belief, defendants' computer when given a number from a Thesauri prints out citations of cases identified by the number as relevant to the Thesaurus Topic with which it is associated.

28. Upon information and belief, defendants copied in whole or substantial part from individual works created and copyrighted by West; such copies are contained in the Thesauri published by defendants, the index of cases prepared by them to put into the computer, the material stored therein and the material printed out by the computer in response to inquiries and elsewhere.

29. West has not as yet had an opportunity to inspect the materials printed by defendants into the computer or to see any substantial number of its printouts to subscribers and therefore does not at the present time have sufficient knowledge or information to specify in complete detail, each of its copyrighted works which it believes defendants copied.

30. Upon information and belief, defendants have and unless enjoined, will continue to copy and pirate West's copyrighted works.

31. Upon information and belief defendants continued to copy West's copyrighted works even after the present action was instituted.

As and for a Second Cause of Action Against Defendants Law Research, Hoppenfeld and Wiener

32. Plaintiff repeats each and every allegation of paragraphs 1 to 31 herein.

33. Since at least some time in 1967 in connection with their business as above described, defendants have published and sold volumes called Computer Thesauri for the State of California. There is a separate computer Thesaurus for the California laws relating to various topics.

34. These Thesauri consist of words and phrases arranged alphabetically under headings with a number assigned to each word or phrase.

35. In 1951 plaintiff published a work known as West's California Digest, 3 volumes of which are entitled "Descriptive Word Index." West's Editorial Staff read and analyzed each case decided by the California Courts and prepared summaries or headnotes for each such case; the Descriptive Word Indexes contain words selected from each decision descriptive of the important facts in each case; it arranges them alphabetically with references to Topic and Key Number where citations and summaries of cases involving similar facts and points of law are contained in other volumes of the Digest.

36. Said California Digest and the Descriptive Word Index thereto have been supplemented each year by pamphlets known as "Pocket Parts." Volumes have been

recompiled from time to time to incorporate the pocket part and additional material and to eliminate superseded material.

37. Said California Digest, Descriptive Word Index and supplementary pocket parts and recompiled volumes are written, created and compiled solely by plaintiff and are copyrightable subject matter under the laws of the United States.

38. In respect of said works described in paragraphs 35 to 37 plaintiff complied in all respects with the Copyright Act of 1909, as amended, 17 U.S.C. §1 *et seq.* and all other laws governing copyright and secured the exclusive rights and privileges in and to the copyright of such materials and received from the Register of Copyright, certificates of registration.

39. Said works have been published by plaintiff and all copies made by plaintiff or under its authority or license have been printed, bound and published in conformity with the provisions of the Copyright Act of 1909, as amended, 17 U.S.C. §1 *et seq.* and all other laws governing copyright.

40. Since 1951 plaintiff has been and still is the sole proprietor of all rights, title and interest in and to the copyright of said works.

41. Upon information and belief, beginning some time during the 1960s and continuing to date defendants Law Research, Hoppenfeld and Wiener infringed and continue to infringe plaintiff's copyrights in said California Digest and Descriptive Word Index and pocket parts thereto, by copying a substantial part of said Digest and Descriptive Word Index in the production and publication of the California Thesauri volumes published by them.

Appendix C

As and for a Third Cause of Action Against Defendants Law Research, Hoppenfeld and Wiener

42. Realleges each and every allegation in paragraphs 1 to 41 hereof.

43. Upon information and belief defendants have also copied the case citations compiled by West and other editorial material contained in said Digests in its in-put, on punch cards, tapes or drums for storage in a computer and in its printouts to subscribers in violation of the Copyright Law.

As and for a Fourth Cause of Action Against Defendants Law Research, Hoppenfeld and Wiener

44. Plaintiff repeats and realleges each and every allegation in paragraphs 1 through 31 herein.

45. Prior to August 30, 1960 plaintiff who then was and ever since has been a citizen of the United States created and wrote various original materials which appear in books entitled "Modern Federal Practice Digest."

46. West's expert legal staff summarized federal cases pertaining to practice, organized and compiled them. Thus these books contain a large amount of material wholly original with plaintiff which is copyrightable subject matter under the laws of the United States.

47. From August 31, 1960 plaintiff complied in all respects with the Copyright Act of 1909, as amended, 17 U.S.C. §1 *et seq.* and all other laws governing copyright and secured the exclusive rights and privileges in and to the copyright of such materials and received from the Register of Copyrights a certificate of registration of copyright in said Modern Federal Practice Digest.

48. Since August 31, 1960 said books have been published by plaintiff and all copies of them made by plaintiff or under its authority or license have been printed, bound and published in conformity with the provisions of the Copyright Act of 1909, as amended, 17 U.S.C. §1 *et seq.* and all other laws governing copyright.

49. Since August 31, 1960, plaintiff has been and still is the sole proprietor of all rights, title and interest in and to the copyright in said books.

50. Upon information and belief, after August 31, 1960 defendants through their operation of a legal research assistance service infringed and have continued to infringe plaintiff's copyright in said works by copying said material or a substantial part thereof into a computer and printing out copies to subscribers. Unless enjoined, defendants will continue to do so.

As and for a Fifth Cause of Action Against Defendants Law Research, Hoppenfeld and Wiener

51. Plaintiff repeats and realleges each and every allegation in paragraphs 1 through 31 herein.

52. Plaintiff, who is a citizen of the United States, created and wrote various original materials which appear in a set of books entitled "New York Supplement 2d" in that, *inter alia,* it summarized the rules of law applied in each decision and printed a synopsis of each case, headnotes containing the summaries and the key number index and classification for each case.

53. These books contain a large amount of material wholly original with plaintiff which is copyrightable subject matter under the laws of the United States. Plaintiff

complied in all respects with the Copyright Act of 1909, as amended, 17 U.S.C. §1 *et seq.* and all other laws governing copyright and secured the exclusive rights and privileges in and to the copyright of such materials and received from the Register of Copyrights, a certificate of registration of copyright in this work.

54. Said set of books has been published by plaintiff and all copies of them made by plaintiff or under its authority or license have been printed, bound and published in conformity with the provisions of the Copyright Act of 1909, as amended, 17 U.S.C. §1 *et seq.* and all other laws governing copyright.

55. Plaintiff has been and still is the sole proprietor of all rights, title and interest in and to the copyright in said books. These volumes contain headnotes to judicial opinions and synopses containing summaries of the opinions keyed to West's Key Number System. These summaries and synopses are the work product of the West Editorial Staff and constitute copyrightable material.

56. Upon information and belief after January 1960 defendants have infringed and continue to infringe said copyright by copying a substantial part of said copyrighted materials.

As and for a Sixth Cause of Action Against Defendants Law Research, Hoppenfeld and Wiener

57. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 31 herein.

58. Upon information and belief defendants purport and represent they have independently read, summarized and indexed the law of many jurisdictions and on many subjects and that on the basis of such independent research,

summarizing and indexing they have prepared computer Thesauri by means of which inquiries can be identified by subject matter and have stored citations and data pertinent to such subject matter or word headings in their computer.

59. Upon information and belief such representations are false and misleading since defendants did not read, summarize and index all the legal materials stored in their computer or referred to in the Thesauri published by them but rather copied such summaries, indexes and other material from works created and copyrighted by plaintiff and others. Upon information and belief defendants did not independently classify and group citations but copied the classifications and groupings prepared by West and by others.

60. Defendants purport and represent that they have developed a novel and original method of legal research by means of a computer which method is more comprehensive, faster, more economical and at least as accurate as existing methods of research by use of printed material.

61. Such representations are false and misleading because defendants fail to disclose the material fact that what they have transcribed into the computer and into their Thesauri is no more than a copy of materials published and sold by West or others, and that their service is consequently no more than a piece-meal and sometimes inaccurate print-out of citations classified, grouped and printed in such publications.

62. Defendants' misleading statements, misrepresentations and failure to disclose material facts have and is likely to continue to deceive and mislead (1) members of the legal profession into subscribing to their service in the belief that it provides information in more detail, more quickly, as accurately and less expensively than plaintiff's

books where the same information is in fact contained in more complete form and in greater detail; (2) distributor franchisees into entering into contracts with defendants in the belief that defendants' service is and will be of great value to the legal profession because it offers a more advanced or better means of conducting legal research than those employed hitherto; (3) members of the general public into purchasing stock, loaning money, furnishing services, or doing business with Law Research under a false impression as to the value of its service.

63. By falsely representing to the public that their service, which is offered and sold in interstate commerce, is their own and was created and developed by them, when in fact it was copied from plaintiff, defendants have violated §43(a) of the Lanham Act, 15 U.S.C. §1125(a).

64. These false representations cause or are likely to cause injury to plaintiff's good will, reputation and the sales of its books by misleading and deceiving lawyers and others into subscribing to defendants' service instead of purchasing plaintiff's publications. Furthermore the actions of defendants are a severe disservice to the legal profession in this country.

As and for a Seventh Cause of Action Against Defendants Law Research, Hoppenfeld and Wiener

65. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 64 herein.

66. Defendants by copying substantial parts of plaintiff's copyrighted works in connection with their computer legal research service have committed and continue to commit acts of unfair competition causing plaintiff irreparable damage for which it has no adequate remedy at law.

Appendix C

As and for an Eighth Cause of Action Against Defendants Law Research, Hoppenfeld, Wiener and Computer Searching Service Corporation

67. Plaintiff repeats and realleges the allegations contained in Paragraphs 1 through 66 herein.

68. Upon information and belief defendant Computer Searching Service Corporation (hereafter "CSSC") is a Delaware corporation doing business in New York and having its principal place of business in that state at 60 Hudson Street, New York, New York.

69. Upon information and belief CSSC was formed by defendant Law Research during the year 1969 and at all times since its formation has been controlled and wholly or majority owned by Law Research.

70. Upon information and belief defendant Paul Wiener is president of CSSC.

71. Upon information and belief Law Research in about November 1969 transferred to CSSC magnetic tapes and other materials (including but not limited to Thesauri, printouts and punch cards) alleged in Paragraphs 23 through 56 above to infringe plaintiff's copyrights. Such materials together with any additional materials which CSSC has produced or may in the future produce by copying plaintiff's works infringe the copyrights of plaintiff as alleged in Paragraphs 1 through 56 herein.

72. Upon information and belief CSSC has engaged since its formation or intends to engage in substantially the same business and activities as those engaged in by Law Research and described in Paragraphs 23 through 66 herein. Upon information and belief the same acts of copyright in-

fringement and unfair competition alleged in Paragraphs 1 through 66 herein to have been committed by defendants Law Research, Hoppenfeld and Wiener are also being committed or are threatening to be committed by CSSC.

WHEREFORE, plaintiff demands:

1. That defendants Law Research, Hoppenfeld, Wiener and CSSC, their agents and servants, subsidiaries, successors and assigns be permanently enjoined from infringing any and all copyrights of plaintiff in any manner and from committing acts of unfair competition.

2. That defendants Law Research, Hoppenfeld, Wiener and CSSC be required to pay to plaintiff such special damages as plaintiff has sustained on consequence of defendants' infringement of plaintiff's copyrights and said acts of unfair competition and to account for (a) all gains, profits and advantages derived by defendants by said acts of unfair competition; and (b) all gains, profits and advantages derived by defendants from their infringements of plaintiff's copyrights or such damages as to the court shall appear proper within the provisions of the Copyright Act, but not less than $250 for each act of infringement.

3. That defendants Law Research, Hoppenfeld, Wiener and CSSC be required to deliver up to be impounded all infringing materials in their possession or under their control and to deliver up for destruction all infringing materials and all objects, machines or devices for making such infringing materials.

4. That defendants Law Research, Hoppenfeld, Wiener and CSSC pay the plaintiff the costs of this action and reasonable attorneys' fees to be allowed to plaintiff by this court.

5. That defendants Law Research, Hoppenfeld, Wiener and CSSC be required to pay to plaintiff by reason of their wilful and fraudulent acts, exemplary and punitive damages in the sum of $10,000,000.

6. That plaintiff have such other and further relief as is just.

Dated: New York, New York
August 11, 1970

WHITE & CASE

By MACDONALD FLINN /s/

A Member
Attorneys for Plaintiff
14 Wall Street
New York, N.Y. 10005

Appendix D

Answer and Counterclaims to the Second Amended and Supplemental Complaint

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

66 Civ. 1735

WEST PUBLISHING COMPANY,

Plaintiff,

against

LAW RESEARCH SERVICE, INC., ELLIAS C. HOPPENFELD, PAUL WIENER and COMPUTER SEARCHING SERVICE CORPORATION,

Defendants.

Defendant Demands a Trial by Jury

Defendant Computer Searching Service Corporation, by its attorney, Alvin I. Apfelberg, for its answer and counterclaims to the second amended and supplemental complaint herein, allege as follows:

1. Defendant denies knowledge or information sufficient to form a belief as to paragraphs 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 21, 22, 23, 24, 25, 26, 27, 33, 34, 35, 36, 37, 38, 39, 40, 45, 46, 52.

2. Defendant upon information and belief denies the allegations contained in paragraphs 19, 20, 28, 29, 30, 31, 41, 43, 47, 48, 49, 50, 53, 54, 55, 56, 58, 59, 60, 61, 62, 63, 64, 66.

3. Defendant denies each and every allegation contained in paragraphs 68, 69, 71, 72.

4. Defendant admits that Paul Wiener is president of Computer Searching Service Corporation and secretary-treasurer of Law Research Service, Inc.

5. Defendant repeats and realleges each and every allegation with reference to paragraphs 32, 42, 44, 51, 57, 65, 67.

6. Defendant denies all other allegations other than those specifically admitted or denied herein.

As and for an Affirmative Defense and as and for a First Counterclaim

7. Defendant Computer Searching Service Corporation will be hereinafter referred to as "Plaintiff".

Jurisdiction

8. The causes of action herein arise under 15 United States Code Annotated, Sections 1 and 2, hereinafter called "Sherman Act" and under 15 United States Code Annotated, Sections 15 and 26, hereinafter called "Clayton Act", all as amended.

9. Plaintiff Computer Searching Service Corp. (hereinafter: CSSC) maintains an office for the transaction of business in the State of New Jersey.

10. Certain defendants transact business and have performed the activities hereinafter complained of within the Southern District of New York and certain defendants maintain offices within the Southern District of New York, all of the aforesaid constituting proper venue within the Southern District of New York.

Appendix D

Class Action Allegations of Plaintiff Computer Searching Service Corp.

11. Plaintiff brings this action as a Class Action pursuant to F.R.C.P. 23 (b) (1) (A) and F.R.C.P. 23 (b) (3).

12. Plaintiff CSSC and other members of the Class of plaintiffs are individuals and entities, including but not limited to, lawyers, librarians, accountants, local, state and federal governmental bodies and agencies, schools, courts, wholesalers and retailers, and all other purchasers of every description who purchase primarily or secondarily from the defendants and all companies who publish and print law books of every description, which include but are not limited to, decisional reports, digests, services, encyclopedias, compilations of statutes and cases, dictionaries, and all books and periodicals published from time to time, used in connection with the legal profession and legal research manually or by computer.

13. Members of the Class on whose behalf this action is brought are divided into two subdivisions:

(a) All computer oriented entities and computer research bureaus located throughout the territorial limits of the United States; many unknown to the named plaintiffs and unaware that causes of action on their behalf exist or have been brought and/or unaware of facts giving rise to this action.

(b) Lawyers, librarians, accountants and other persons and entities, being in excess of one hundred thousand persons, located throughout the territorial limits of the United States; many unknown to the named plaintiffs and unaware that causes of action on their behalf exist or have been brought and/or unaware of facts giving rise to this action. It is impracticable to bring them all before this Court.

14. The named plaintiff will fairly insure adequate representation of interests of all members of the Class. It is a corporation involved in the computerized application and it has a thorough understanding and knowledge of the computerization of the law as well as the need to rely upon the legal material for the creation of a complete and total computerized law library. The named plaintiff has no interests which are hostile to any members of the Class and represents the Class.

15. There are questions of law and fact common to the Class, i.e. The sales practices of defendants alleged; the concerted agreements amongst defendants to refrain from competition; the actions of defendants to prevent the introduction of new compilers and publishers into competition, or computer oriented law applications; the retention of excessive prices; the plan and agreements to reduce the markets and values of used law books; the plan and agreements to injure dealers; and whether such actions constitute violations of the acts herein and should be eliminated and damages granted.

Class Action Allegations of Defendants

16. (a) Plaintiffs have no knowledge that any member of either the Class of plaintiffs or defendants have an interest in individually controlling prosecution of separate actions.

(b) Plaintiffs know of no other litigation concerning this controversy already commenced by or against members of the Class except an action entitled Claitor, et al. v. West Publishing Co., et al., 70 Civil 1925, in which certain book dealers commenced an action against three publishers upon the grounds that said publishers were causing trade damages to such dealers, and an action by James A. Geller, et al. v. Matthew Bender & Co., Inc., et al., 70 Civil 1978,

in which an attorney commenced an action against various publishers in violation of the "Sherman Act" and "Clayton Act".

(c) In order to obtain consistent results and because the majority of newly published law books are utilized within the Southern District of New York and because the named defendants maintain offices in and near to said district and because the volume of alleged violations take place therein, it is desirable to concentrate this litigation in this District.

(d) Plaintiffs know of no difficulty likely to be encountered in the management of this Class Action.

17. The named defendants are the major leading publishers, compilers, printers and primary distributors of books utilized in the legal profession and legal research. As such, they are true and proper representatives of a Class of defendants which includes all other entities engaged in the same activities, including but not limited to, affiliates and subsidiaries of named defendants and others, many unknown to plaintiffs. It is impracticable to bring before this Court all members of the Class of defendants since such Class consists of approximately ten (10) entities located throughout the territorial limits of the United States. The named defendants will fairly insure adequate representation of the interests of all of the members of the Class of defendants. In connection with the causes of action herein, the named defendants have no interest which are hostile to any members of the Class of defendants. Because of their position as the industry leaders, the named defendants will defend themselves and as such, represent all members of the Class in the same manner. There are questions of law and fact common to the Class of defendants and the defenses of the named defendants are typical of defenses of the entire Class as set forth in paragraph hereof.

18. Reference to "defendants" in this complaint shall mean the named defendant and all members of the Class of defendants.

Defendant and Its Subsidiaries

19. West Publishing Company, is a Minnesota Corporation, with its principal place of business in Saint Paul, Minnesota.

20. Edward Thompson Co., Inc., is a New York Corporation, with its principal place of business in Nassau County, New York and is a wholly owned subsidiary of West Publishing Company.

21. Soney & Sage, Inc., is a New Jersey Corporation, with its principal place of business in Newark, New Jersey and is wholly or substantially owned by West Publishing Company.

21(a). Boston Law Book Co., is a Massachusetts Corporation, with its principal place of business in Boston, Massachusetts and is wholly or substantially owned by West Publishing Company.

22. Vernon Law Book Co., is a Missouri Corporation, with its principal place of business in Kansas City, Missouri and is a wholly-owned subsidiary of West Publishing Company.

22(a). The American Law Book Co., is a New York Corporation, with its principal place of business in the County of Kings, New York City and is a subsidiary of West Publishing Company.

23. Burdette-Smith Co., is a California Corporation, with its principal place of business in California, and is a subsidiary of West Publishing Company.

24. Washington Law Book Co., is a District of Columbia Corporation, with its principal place of business in Washington, D. C., and is a wholly-owned subsidiary of West Publishing Company.

25. Foundation Press, Inc., is a Illinois Corporation, with its principal place of business in Chicago, Illinois and is wholly or substantially owned by West Publishing Company.

26. All of the aforesaid defendants engaged in actions hereinafter complained of within the Southern District of New York and elsewhere throughout the United States and maintained offices and/or maintained agents within the Southern District of New York.

27. The aforesaid entities and other members of the Class, directly or indirectly, themselves or by the use of agents, performed the business activities within the Southern District of New York and caused damages to plaintiffs within the Southern District of New York, and as such caused violations of the statutes within the Southern District of New York.

Applicable to All Counts

28. The named defendant and the members of the Class of defendants are and have been engaged in the compilation, publication, printing and distribution of the law books and services, all as herein before described, to purchasers and users both on a wholesale and on a retail level. This in-

cludes distribution throughout the world, through its agents, and more particularly within the territorial limits of the United States of America, of all types and forms of law books and periodicals utilized in the legal profession and in all types of legal research whether manually or computerized.

Count I

29. Defendants have unlawfully agreed, combined and conspired and have conducted activities in pursuance thereof, which have tended unduly to restrain interstate trade and commerce. They have combined and conspired with each other and have attempted and have succeeded in causing monopolies in the publication and trade of law books and related periodicals and supplements, as aforesaid.

30. The defendants possess controlling and dominant positions in such industry and have exercised unlawful market control therein and have maintained monopolistic control of said industry. The unlawful activities of the defendants have had the purpose of and have excluded, interfered with, obstructed and destroyed the trade and commerce of those who would compete with them.

31. The defendants have conspired amongst themselves to refrain from competing with each other.

32. As an example thereof, the statutes of the State of New York are compiled solely by Edward Thompson Co., Inc. and no defendant offers competition to Edward Thompson Co., Inc., for such publications despite the fact that the compilation of such New York statutes is essential to almost every law office within the State of New York.

33. Such depravation [sic] of effective competition for the compilation and publication of law books throughout the

United States, has resulted in increased prices and lack of availability of free choice to the plaintiffs in the purchase of designated law books, all of which is in violation of the statutes.

Count II

34. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

35. As a result of the agreement and conspiracy amongst the defendants to refrain from competing with each other and as a result of the domination of that segment of the industry which includes the compilation of official reports of Court decisions from local, state and federal Courts, West Publishing Company, has attained and has continued to be the dominating and in almost every jurisdiction within the United States, the sole official compiler and publisher of official Court decisions.

36. Although in many instances the publications aforesaid are copyrighted by the companies named herein, they are published, prepared and edited by West Publishing Company with the other companies in many instances doing nothing but adding their name to the publication and registering the publication in order to deceive the public as to the true monopoly that exist by the West Publishing Company.

37. As a result of such domination and control, plaintiffs are required to purchase law books from the defendants herein and are truly publications solely by the West Publishing Company.

38. In 24 states of the United States and the jurisdiction of Washington, D.C. compilations of the decisions of that

state and jurisdiction are solely published by West Publishing Company, as well as reports for the balance of the 50 states. The defendants in the area of secondary research, that is, digests of the case law of the various states which are essential to the system available to the legal profession today to do legal research and essential to the finding of the cases reported in the official or unofficial reports exclusively published digests in 47 of the 50 states.

39. To maintain its dominating position, in the reprinting of such decisions, West Publishing Company has frequently omitted references to Court citations of Court decisions found in compilations and books produced by other publishers.

40. By such agreements and conspiracies, West Publishing Company has thus prevented free competition from other entities in the compilation and publication of such official reports of decisions with the result that plaintiffs are required to purchase official reports only from West Publishing Company and are thus, financially damaged and deprived of their free choice in the matter.

Count III

41. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

42. West Publishing Company directly and through its subsidiaries and controlled entities, compiles, publishes and distributes digests, encyclopedias and other research tools in the industry.

43. For the purpose of retaining its dominating position with respect to compilation and publication of decisions

and opinions of local, state and federal Courts in its official reporters, West Publishing Company, has entered into agreements and conspiracies with such other entities assuring that such research books fail to include citations of cases from other than their reports, excepting in isolated instances.

44. Such actions of West Publishing Company in combination and by agreement with its subsidiaries and controlled entities has tended to cause a monopoly on such books to West Publishing Company and such entities.

45. As a result thereof, competition has been reduced and plaintiffs have been deprived of their rights to freely deal amongst competitors, with the result that prices paid by plaintiffs for such publications have been higher than they would be otherwise.

Count IV

46. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

47. Defendants have abused the process and procedures of this Court by threatening to institute proceedings based on alleged copyright infringement of non-published matter to affect the economic success of the plaintiff CSSC.

48. Defendants are well aware that the plaintiff CSSC has not published any material whatsoever and there is no present alleged infringed material, which could or possibly be the basis for an action against the plaintiff CSSC for copyright infringement.

49. That as a result of this wrongful and unlawful act on the part of West Publishing Company, plaintiff CSSC

will suffer great serious and lasting injury to its trade and business aforesaid through the loss of credit; loss of actual prospective customers; loss of availability of experienced personnel; loss of profits; and loss of capital investment in its business.

Count V

50. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

51. Defendants are well aware that all of the copyrights and purported copyrights upon which plaintiff CSSC bases his exclusive right to the materials contained in the legal publications are invalid, unenforceable, null, void, and of no effect, and a declaratory judgment under Section 2201 and 2202 of Title 28 United States Code may and should be entered by this Court so declaring.

Count VI

52. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

53. Defendants have been guilty of such misuse of alleged copyrights involving legal publications and should be barred from enforcing the same in this or any other action.

Count VII

54. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

55. Defendants are engaged in the sale of new law books. They have agreed amongst themselves as to the various methods of eliminating and curtailing the sale of

used law books containing the self same contents, despite the lower price to the plaintiffs of such used law books.

56. From time to time, as a result of the retirement, demise or change of circumstances of users of law books, used books of equal professional and research value, become available to the plaintiffs.

57. Plaintiff in order to reduce the utilization of such used law books and to continue to dominate the sale of books through the sale of new law books, the defendants have engaged in various acts and practices, agreements and conspiracies to reduce and prevent competition of used law books with their own new law books.

58. As a result of such actions by defendants, plaintiffs have been deprived of their right to purchase law books in a free and unrestricted market place. Plaintiffs have been obstructed from and have unlawfully been deprived of their right to buy from or trade with sellers of books selected by them and at prices favorable to the plaintiffs.

59. As a result, competitive channels of distribution of law books have been substantially reduced in number, in size and in strength and they have been eliminated by the coercive activities of the defendants, from time to time. Defendants do not sell or trade in new laws books in exchange for used law books.

60. As a result, defendants have been permitted to increase the prices which they charge to the plaintiffs for such new law books and they have engaged in practices toward the elimination of the competition of sellers of used law books, both individual sellers liquidating their own libraries and also dealers of used law books.

61. Such practices of the defendants have had the result of reducing the value which used law books possess when plaintiffs wish to sell them, thus causing economic loss to those plaintiffs who have heretofore sold used law books and the same such loss to all plaintiffs with respect to the used law books presently owned and controlled by them.

Count VIII

62. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

63. Upon each publication of each volume of law books, defendants have placed a copyright date upon the back of the title page. In accordance with the copyright laws of the United States, such publications are afforded copyright protections for specified number of years.

64. Upon revision of such volumes by defendants in which additional material is added, defendants then amend the back of the title page and insert a new copyright date for the entire contents of the revision rather than pertaining only to the portions so revised.

65. In such manner, the defendants act to restrain competition because of the actual or implied threat of copyright violation.

66. Furthermore, in such manner, defendants are enabled to obtain for the supplements of such law books, exorbitant prices, far in excess of the values thereof, to be paid by the plaintiffs.

67. Plaintiffs are thus deprived of competition in such supplements which would tend to reduce the prices paid therefore. Plaintiffs are charged and are required to pay

prices for such supplements which are far in excess of the values thereof because defendants have excluded, interfered with, obstructed and destroyed trade and commerce in competition with them.

Count IX

68. Plaintiffs repeat each allegation set forth in the preceding paragraph of this complaint.

69. For the purpose of damaging plaintiffs, the defendants have entered into agreements, combinations and conspiracies amongst themselves and particularly in connection with The Lawyers Co-operative Publishing Company and West Publishing Company and further, particularly with respect to West Publishing Company with Edward Thompson Co., Inc. and West Publishing Company with The American Law Book Co., and the Class of defendants amongst each other, and further, particularly with respect to the acquisition and maintenance by West Publishing Company of its wholly-owned subsidiaries as aforesaid stated.

70. Such activities by defendants constitutes monopolistic power, combinations and conspiracies unlawfully to restrain interstate commerce in the law book industry and combinations and conspiracies to monopolize said industry, all of which defendants have accomplished to the damage to plaintiffs.

Count X

71. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

72. It is the nature of a certain segment of the law book industry, excepting reports of decisions of various Courts,

that supplements to make such law books current are compiled, printed and distributed by defendants to plaintiffs, from time to time.

73. Such frequent supplementation is a major source of revenue to defendants and a major expense to plaintiffs for maintaining law books in a current up-to-date condition.

74. Thus, when plaintiffs purchase said law books, they are dependent for supplements upon that particular compiler, publisher and printer, without the right or option to obtain such supplement from another entity, at lesser price.

75. The sale by defendants to plaintiffs of fill-ins of missing books from sets of law books and supplying of supplements to keep sets current is a large source of profits to defendants and is utilized by defendants to retain as captive the business from plaintiffs, at prices arbitrarily set by defendants in excess of reasonable values.

76. Defendants stifle competition from used book dealers and distributors by refusing to supply such fill-ins and supplements to such dealers for resale to persons and entities who purchase at retail. By so refusing to supply such fill-ins and supplements to dealers, defendants thus require the dealers to supply defendants with names of their retail customers, and defendants thereafter control and dominate sales of such retail customers of fill-ins and supplements thereafter, at values arbitrarily set by defendants, without compensation to such dealers.

77. As a result of their sales and distribution practices, defendants have arbitrarily, maliciously and unfairly eliminated and reduced competition from used book dealers in a

free and competitive market with the result that such dealers and other plaintiffs are deprived of their rights to deal in such free and competitive market and dealers and other plaintiffs are required to pay excessive prices for books, fill-ins and supplements.

78. By arbitrarily setting excessive prices for such fill-ins and supplements, defendants have knowingly caused reduction in value of used books, thus, damaging plaintiffs.

79. By reducing and eliminating sales by defendants to dealers for resale to retail plaintiffs and by refusing to continue trade discounts to dealers, defendants have conspired amongst themselves to reduce and eliminate use of independent dealers who would be in a position to compete for retail business with the sales staff of defendants and offer lesser prices to retail purchasers.

80. By placing such dealers at competitive disadvantages and by diminishing and eliminating their threats and further by reducing the number of dealers, defendants have tended to confine the law book business to defendants, with the result that plaintiffs have been deprived of their free choice and a free economy and have been caused to pay excessive prices because of monopolistic results.

81. To further reduce and eliminate competition and for the purpose of concentrating control of the law book industry in defendants, certain defendants acquired ownership and/or control of numerous subsidiaries, as hereinbefore set forth with respect to West Publishing Company and with respect to The Lawyers Co-operative Publishing Company. Such defendants have allowed liberal discounts to their dominated companies who are thus urged to compete unfairly against unaffiliated dealers. Such practices have tended to eliminate competition by placing the un-

affiliated dealers at competitive disadvantage and defendants have failed to fully disclose such relationships between such control companies and other defendants, to plaintiffs.

82. For the purpose of further destroying such competition and retaining monopolistic control of the market, defendants impose upon such dealers unfair and discriminatory terms which are inconsistent with fair competition and fair dealing. The result has been damage to such dealers and increased costs for law books to other plaintiffs. The purpose of such activities by defendants has been to concentrate control of the law book industry and thus be permitted to maintain excessive prices for their products, all of which they perform with the intent of controlling, dominating and eliminating competition in the compilation, publication and distribution of law books in the United States.

83. As a further method of increasing cost of law books to plaintiffs and inducing plaintiffs to purchase new books in lieu of less expensive used books, defendants use various inducements to plaintiffs to influence the purchase of new books and to discourage arrangements for the purchase of used books, thus increasing costs to plaintiffs and eliminating and destroying competition to defendants by dealers in the wholesale market.

84. As a further method of effecting such results, defendants make special deliveries of books to companies owned or controlled by them and to retail customers who purchase their law books directly from defendants, rather than those who purchase directly from dealers or who purchase used books at lesser cost and who then require fill-ins or supplements. This has unfairly tended to cause damage to such dealers and damage to other plaintiffs who purchased used books and then requested fill-ins or sup-

plements. This practice has reduced the number of plaintiffs who purchase used books at lesser cost.

85. In furtherance of their scheme and conspiracy to monopolize, defendants have denied services and information to such dealers and have further caused diminution in value of used law books by increasing the prices charged to plaintiffs to bring up-to-date those sets which have become outdated through lapsing of supplements.

Count XI

86. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

87. That the activities of the defendants were calculated to deceive and defruad the public at large and were made with the object of having plaintiffs and members of the Class which plaintiff seeks to represent rely on such statements and activities although defendants knew that said activities and statements were untruthful and were calculated to deceive and defraud plaintiffs and other members of the Class.

88. That if not for such activity and statements and representations made by the defendants, plaintiffs would not have purchased such books or publications and would not have been damaged thereby.

89. The aforesaid conduct of defendants was gross, willful, malicious and wanton and done with a reckless disregard for the rights of the public generally; such conduct was calculated by defendants to deceive and to defraud the public at large; it was done with a high degree of moral culpability and was part of an overall course of reckless

conduct aimed at the public at large without regard to business ethics or morals required when dealing with the members of the public.

90. Such conduct of defendants evinced a high moral turpitude for which plaintiffs seek punitive and exemplary damages from defendants in the sum of Two Hundred Million ($200,000,000.00) Dollars.

Count XII

91. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

92. Defendants in its applications to the Copyright Office of the United States for registration of all or most of the alleged copyrights, falsely and fraudulently concealed from said Copyright Office the fact that substantial portions of the works which defendants were seeking to register for copyright had been previously published, with or without copyright notices, by the defendants, or by other persons, corporations or by other persons, or by defendants jointly with other persons, and this despite the fact that, as defendant well knew at the times such applications were submitted to the said Copyright Office, defendant was legally obligated and required to disclose the facts as to such previous publications of such materials fully, fairly and honestly to said Copyright Office in all such applications.

93. Defendants also falsely and fraudulently misrepresented to said Copyright Office, in such applications for registrations of copyrights, that the works for which defendants so sought copyright registrations contained no previously published matter when, in truth and in fact, as defendant well knew, such works consisted in whole or in substantial part of materials and writings previously pub-

lished by defendants, or by other persons, or by defendants jointly with other persons.

94. As to such copyrights which defendants registered by means of the false and fraudulent concealments and misrepresentations alleged in paragraphs 92 and 93 above, defendants registrations of such copyrights are and were null and void, and defendants are barred, by the express provisions of Title 17 of the United States Code, Section 13, from maintaining this or any action for alleged infringements of any copyrights so fraudulently and unlawfully registered.

Count XIII

95. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

96. Most of all of the works which defendants filed copyrights for consisted of materials and writings that were not original, were not copyrightable, or which were simply copies from works already in the public domain. All such purported copyrights are legally null, void, and of no effect; and defendants are therefore barred from recovery upon any claim of infringement or the right to claim exclusive rights thereunder.

Count XIV

97. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

98. Defendants have achieved their position of extraordinary dominance in the trade or business aforesaid, and has monopolized and attempted to monopolize interstate and foreign commerce in such trade or business, and, both individually and jointly with others, has carried out and executed the unlawful plan, design, scheme and conspiracy

aforesaid, by means of the following unlawful activities, practices and overt acts, among others:

(a) By acquiring ownership interests in and control of numerous formerly competitive publishers and has stifled competitors in the field of preparing, publishing and distributing legal information material;

(b) By entering into, dictating, and enforcing the adoption of exclusive dealership agreements with itself and other companies, dividing and restricting the territories within which each such company may carry on the trade or business aforesaid, and requiring such companies to deal exclusively in the legal research materials of defendants or of such other companies as defendants may from time to time approve;

(c) By fixing the market prices of the legal research materials sold, published and distributed by defendant, its subsidiaries, and other companies, at unreasonably high and non-competitive levels;

(d) By regulating, through agreements and understandings with its subsidiaries and co-conspirators, the dates on which particular legal research materials, dealing with specific legal subject-matters, should be published or released to the public;

(e) By preventing, restricting, regulating and controlling the re-sale of legal research materials at second hand;

(f) By entering into agreements with competitive companies under which defendant and such companies agreed jointly to publish and copyright numerous volumes of legal research materials instead of publishing competitive volumes of a similar character, and otherwise restricting and impeding the compilation, preparation, manufacture, sale,

publication and dissemination of legal research materials in the commerce aforesaid;

(g) By publishing and selling numerous separately copyrighted volumes of legal research materials in single series composed of many such separately copyrighted volumes, and refusing to sell to any customer less than the entire series, so that the sale of one separately copyrighted work is conditioned upon the purchaser's agreement to purchase numerous other works, some of which may be protected by copyright and others of which ~~are not so~~ protected;

(h) By driving out of business and completely replacing the official reporters of the decisions of the Courts of twenty-four of the fifty states and securing for plaintiff the exclusive right to publish the official reports of the Courts of such states;

(i) By securing for defendant West Publishing Company a right not accorded to many, if indeed to any, of its competitors, namely: the right to obtain free copies of judicial opinions for publication (most if not all other publishers of such opinions are required to pay for such opinions);

(j) By altering the texts of the judicial opinions published by defendants, through the elimination therefrom of citations to volumes of reports of judicial decisions published by competitors of defendants, the insertion therein of citations to defendant's published reports.

99. By committing each of the acts set forth above, the defendants attempted to expand the scope and duration of defendants' copyrights beyond the term, and to cover writings not included in, the lawful scope and duration of a copyright secured under the Copyright Law of the United States.

Appendix D

Count XV

100. Plaintiffs repeat each allegation set forth in the preceding paragraphs of this complaint.

101. Defendant West Publishing Company has, for many years prior hereto, attempted to develop its own system of computerized legal research.

102. This effort on behalf of the defendant West Publishing Company has apparently not been successful to date for two major reasons:

(1) West Publishing Company has been attempting to accommodate its existing key number system to a computerized operation;

(2) West Publishing Company has sought to develop a system that would retrieve full text of decided cases, rather than solely legal citation data of the kind utilized in the Law Research Service, Inc. system.

103. In or about 1965, the Law Research Service computerized system began rapidly to gain recognition as a practical and effective method of doing legal research. At that time, the defendant West Publishing Company's computerized system was still in its initial stages of development.

104. West Publishing Company realizing that unless the natural rate of growth of Law Research Service, Inc. and computerized applications to legal research was in some way retarded, the Law Research Service system would become firmly established in the market place long before the West Publishing Company's system even became operational.

105. With full knowledge of these facts, West Publishing Company commenced an action in or about June, 1965

based on alleged infringements and that cause of action was subsequently abandoned in part.

106. In abandoning these initial allegations defendant West Publishing Company amended its complaint to allege other causes of action, some of which to this date have been abandoned.

107. The defendant West Publishing Company represented and caused others to represent to Law Research Service's customers and to the public generally, that it was about to begin marketing a computerized legal research system of its own. Defendants made these representations with the purpose, intent and design of inducing persons, firms and corporations to refuse to deal with Law Research Service, Inc.

108. Defendant also circulated, and caused and induced others to circulate to Law Research Service's customers and to the public generally, false and derogatory statements to the effect that Law Research Service provided an inaccurate, inferior and inefficient system for conducting legal research.

109. Defendants for the purpose of design of causing injury to Law Research Service and its franchisees caused The Western Union Telegraph Company and others to refuse to extend credit to Law Research Service, Inc.

110. Defendant further attempted to induce The Western Union Telegraph Co. to refrain from performing their agreements with Law Research Service, Inc.

111. Defendant through the use of litigation attempted to appropriate for its own use, the trade secrets and other proprietary information which has provided the legal pro-

fession with a modern and effective alternative method of conducting legal research, despite the fact that there was a protective order entered in the prior litigation prohibiting the defendant from inquiring into certain confidential areas.

112. Defendant attempted to use pre-trial discovery procedures to force disclosures to the defendants of valuable trade secrets and has continued overt acts by threatening to subpoena this information at the trial of the action between West Publishing Company and Law Research Service, Inc.

WHEREFORE, Plaintiff Computer Searching Service Corporation and Members of the Class of Plaintiffs pray:

(a) That a judgment be entered herein dismissing the Second Amended and Supplemental Complaint and each and every separate cause of action alleged therein;

(b) The rights of the named plaintiff and all members of the Class of Plaintiffs similarly situated, be determined;

(c) This Court direct or authorize the giving of appropriate notice to all members of the Class of Plaintiffs and to all members of the Class of defendants;

(d) Plaintiff and each member of the Class of Plaintiffs be awarded damages in accordance with the aforesaid statutes, against all members of the Class of defendants;

(e) Defendants discontinue the practices herein complained of;

(f) Plaintiff and each member of the Class of Plaintiffs be awarded exemplary damages of Two Hundred Million ($200,000,000.00) Dollars from defendants;

(g) Defendants pay the plaintiffs all expenses, costs and disbursements incident to this action, including reasonable counsel and accounting fees;

(h) Plaintiffs have such other, further and different relief as to the Court may seem just and proper.

Dated: New York, N.Y.
September 8, 1970

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